



Human Resources and  
Social Development Canada

2007 – 2008 Estimates

**A Report on Plans and Priorities**

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# Minister's Messages



I am pleased to present to Parliament the *2007–2008 Report on Plans and Priorities* for the Department of Human Resources and Social Development.

As Minister, I am proud to lead a department that touches the lives of every Canadian and that plays an active role in helping build a strong and competitive Canada.

Generations of Canadians have helped build the social and economic foundation for the prosperity and opportunities we enjoy today. I believe that supporting Canadians in their family life, at work and in their communities will help them carry on that legacy and make the informed choices to lead productive and rewarding lives.

During this past year, Canada's New Government has taken a leadership role in supporting the choices of Canadians to actively participate in society. In particular, we have supported Canadian families, regardless of their circumstances or where they live.

In July 2006 we launched Canada's Universal Child Care Benefit. By delivering on the New Government's Universal Child Care Benefit promise, some two million families have received benefits that support their child care choices. Through the Universal Child Care Benefit and the Child Care Spaces Initiative, Canada's New Government is responding to the diverse child care needs of Canadian families by giving parents choice in child care.

We are helping persons with disabilities take advantage of opportunities and participate more fully in our society, and addressing the challenges of an aging population. Last November, we proposed amendments to the Canada Pension Plan and *Old Age Security Act* (Bill C-36). We also extended funding for Labour Market Agreements for Persons with Disabilities.

In December 2006, Canada's New Government delivered on its commitment to help those who are homeless and those at risk of becoming homeless by introducing a new Homelessness Partnering Strategy. Combined with renewed investment in Canada Mortgage and Housing Corporation's renovation programs, this represents an investment of \$526 million over two years to assist vulnerable Canadians.

Finally, as part of Canada's New Government's economic plan: *Advantage Canada*, we have focused on helping build Canada's "Knowledge Advantage" to create the best-educated, most-skilled and most flexible workforce in the world.

## Moving forward

Our Government's vision is to build a stronger, safer, better Canada, to support Canadians in making choices that help them live productive and rewarding lives, and to improve their quality of life. We are committed to supporting families, children and seniors while being accountable to Canadian taxpayers.

Together with the provinces and territories, we will work to enhance opportunities for Canadians to acquire knowledge and skills and to have access to affordable housing and social supports.

In a world where knowledge is a precious resource, we will also support initiatives for greater labour market participation. We will reward hard work and remove barriers to the full participation of Canadians, including new Canadians.

## Service Canada

Service Canada is the Government of Canada's one stop service delivery network. In partnership with other departments, agencies and levels of government, it provides Canadians with a growing range of government programs and services.

Service Canada is about easy access, choice and timeliness of service — delivered by professional and committed staff. It is about being accountable to Canadians each and every time they use Service Canada to gain access to government programs and services. And it is about ensuring improved service delivered more efficiently.

I invite you to learn more about HRSDC and its work by consulting the following Web site: [www.hrsdc.gc.ca](http://www.hrsdc.gc.ca).

A handwritten signature in black ink that reads "Monte Solberg".

The Honourable Monte Solberg, P.C., M.P.  
Minister of Human Resources and Social Development



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anada's workplaces are where our nation's wealth is generated. They are also where many Canadians spend a significant part of their working lives. My vision is one of safe and healthy workplaces that make important contributions to Canada's economy and society. We want to create the right conditions for all workers to prosper, now and in the future.

My vision also includes strong and durable industrial relations. I want to foster constructive labour-management relations between unions and employers. We must also remember that even in workplaces where there is no union presence, there is still an important relationship to be developed and nurtured between employers and workers.

Canada has a winning formula — an economy and society that both continue to thrive, and one of the key reasons is because workers and management work together to ensure a fair and representative work force.

Furthermore, we need to see the changing face of Canada reflected in our workplaces, so that representation better reflects availability in the labour market. This means we have to be more inclusive and open doors to those who face employment barriers: women, members of visible minorities, persons with disabilities and Aboriginal people. Our values of diversity and fairness contribute to keep us competitive in this global economy.

The Labour Program plays a leadership role in promoting and protecting workers' rights around the world. By sharing our best workplace practices and policies with other countries, Canada is assisting partners who look to us for leadership to build their capacity.

A handwritten signature in black ink, reading "Jean-Pierre Blackburn". The signature is fluid and cursive, with a long horizontal stroke underlining the first part of the name.

**The Honourable Jean-Pierre Blackburn, P.C., M.P.**

*Minister of Labour and Minister of the Economic Development  
Agency of Canada for the Regions of Quebec*

# Management Representation Statements

## Human Resources and Social Development

I submit for tabling in Parliament, the 2007–2008 Report on Plans and Priorities for Human Resources and Social Development.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2007–2008 Estimates: Reports on Plans and Priorities and Departmental Performance Reports*.

- It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;
- It is based on the Department's Strategic Outcomes and Program Activity Architecture that were approved by the Treasury Board;
- It presents consistent, comprehensive, balanced and reliable information;
- It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and
- It reports finances based on approved planned spending numbers from the Treasury Board Secretariat.



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**Janice Charette**  
*Deputy Minister*  
*Human Resources and Social Development*



## Labour

The plans, priorities, planned spending and performance measures in support of the Labour Program are accurately presented in the *2007–2008 Report on Plans and Priorities* for Human Resources and Social Development Canada.

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**Munir A. Sheikh**

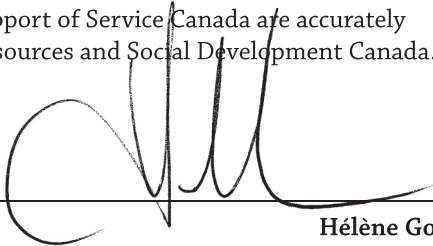
*Deputy Minister of Labour and Associate Deputy Minister  
of Human Resources and Social Development*





## Service Canada

The plans, priorities, planned spending and performance measures in support of Service Canada are accurately presented in the *2007–2008 Report on Plans and Priorities* for Human Resources and Social Development Canada.



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**Hélène Gosselin**  
*Deputy Head of Service Canada and Associate Deputy Minister  
of Human Resources and Social Development*

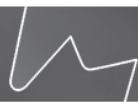




## **Section I** Overview

# **Human Resources and Social Development Canada Overview**

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## Introduction

The Department of Human Resources and Social Development Canada (HRSDC) was created on February 6, 2006, through the consolidation of the former Departments of Human Resources and Skills Development and Social Development. HRSDC has a broad social and economic mandate, which affects every Canadian. The Department is responsible for providing Canadians with the tools to thrive and prosper in society and the economy through access to learning and training opportunities, safe and productive working conditions and labour-management relations, as well as for policies, programs and services that support the social well-being of individuals and families and their participation in society and the economy.

HRSDC's vision is to build a stronger and more competitive Canada, to support Canadians in making choices that help them live productive and rewarding lives, and to improve Canadians' quality of life.

## Human Resources and Social Development Canada

HRSDC has over 23,000 employees in the National Capital Region and in regional and local offices across the country, including more than 19,000 assigned to Service Canada.

To deliver on its mandate, HRSDC provides programs and services to millions of Canadians. HRSDC provides income support to Canadians through benefits that Parliament has legislated, such as Old Age Security and the Canada Pension Plan. In addition, Employment Insurance delivers temporary income support to unemployed Canadians as well as employment programs and services that enable Canadians to prepare for, find and keep employment.

HRSDC promotes lifelong learning by encouraging workplace skills development in Canadian workplaces, and by developing and disseminating information about the labour market. The Department also invests in learning by facilitating access to post-secondary

education and adult learning opportunities, as well as reducing barriers to adult learning and literacy and early childhood development.

HRSDC's social policies and programs help to ensure that children and families, seniors, people with disabilities, homeless persons, communities and others facing barriers have the support and information they need to maintain their well-being and facilitate their participation in society and the workplace. HRSDC is responsible for a number of key initiatives that contribute to these objectives including the Universal Child Care Benefit, the Homelessness Partnership Initiative, the Opportunities Fund for Persons with Disabilities, and the New Horizons for Seniors program.

Through the Labour Program, HRSDC promotes and sustains stable industrial relations and safe and effective workplaces within the federal labour jurisdiction. The Department also fosters constructive labour-management relationships, carries out labour-related research, and negotiates and implements trade-related international labour agreements.

Ensuring Canadians have the tools they need to participate fully in society and a knowledge-based economy requires the active participation of provinces, territories and partners with the Department acting as a catalyst. Given the shared responsibility for many of the Department's programs and policy areas, cooperation with provinces and territories is required. HRSDC is building on established relationships through multilateral and bilateral fora. Employers and unions have an important role in workplace skills investments. Promoting socio-economic well-being also involves working in partnership with the community not-for-profit sector, learning partners, community groups, including official language minority communities, and the private sector to develop integrated and complementary program approaches and provide information and services to Canadians.

[www.hrsdc.gc.ca](http://www.hrsdc.gc.ca)

## Service Canada

Service Canada provides citizens with a single-window access to services from the federal government. The initiative builds on what Canadians have told government they want and on the “best practices” in service excellence found within Canada and around the world. Service Canada builds on over a decade of work within the Government of Canada to improve the delivery of services to Canadians.

Service Canada has been delivering a growing number of services and benefits on behalf of federal departments and agencies and providing Canadians with increased choice and access. Today, the Service Canada delivery network brings together 493 points of service in communities throughout Canada; a national 1 800 O-Canada telephone service providing Canadians with information about all federal government services; and a range of on-line services at

[www.servicecanada.gc.ca](http://www.servicecanada.gc.ca).

Service Canada is partnering with a number of federal departments and agencies to deliver services on their behalf and is identifying further opportunities to partner with departments and agencies, other orders of government and community partners to strengthen the quality of service for Canadians and the cost-effectiveness of programs and services.

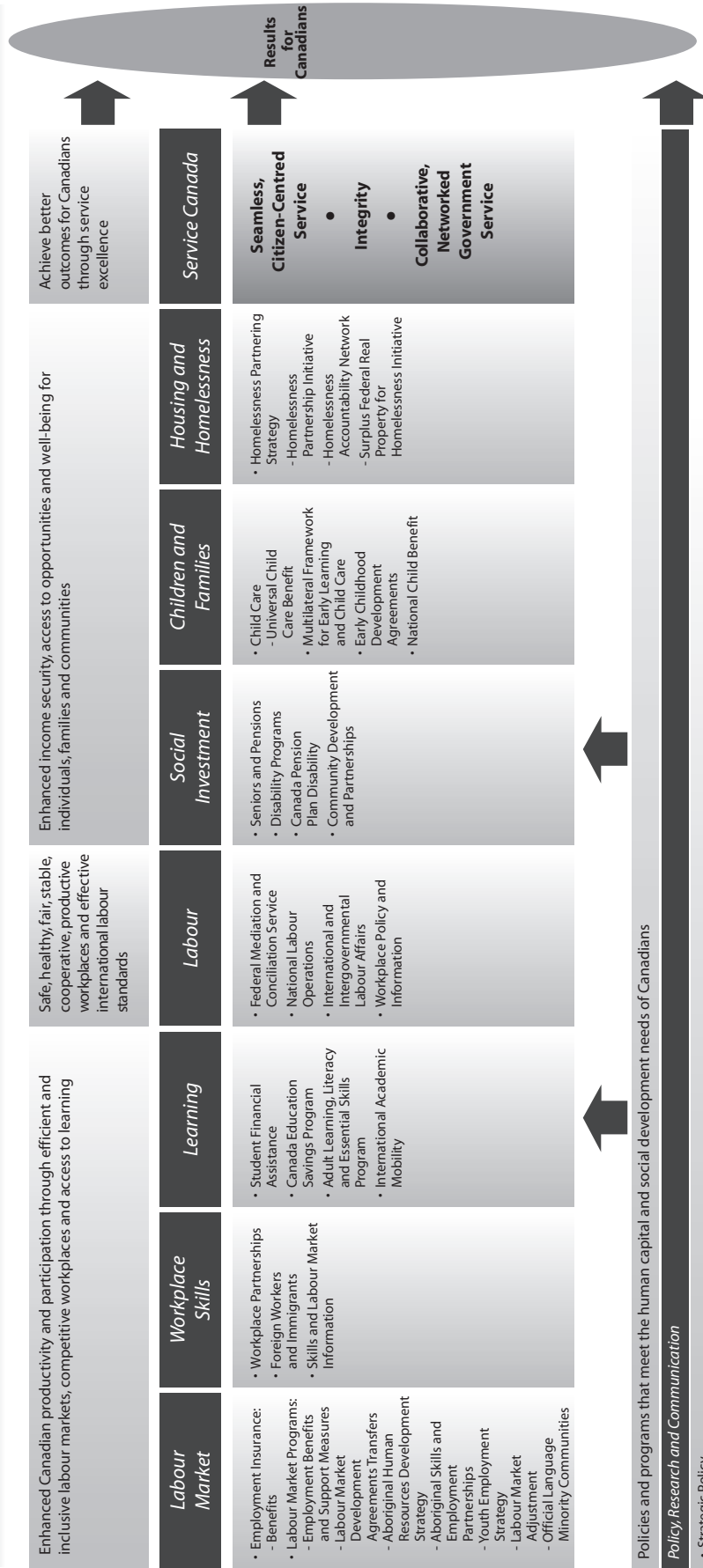
## Strategic Outcomes

HRSDC’s programs and services are designed to achieve results across a broad range of social and labour market outcomes. Five strategic outcomes form the structure for reporting plans, priorities and resources in this report:

- Policies and programs that meet the human capital and social development needs of Canadians;
- Enhanced Canadian productivity and participation through efficient and inclusive labour markets, competitive workplaces and access to learning;
- Safe, healthy, fair, stable, cooperative, productive workplaces and effective international labour standards;
- Enhanced income security, access to opportunities and well-being for individuals, families and communities;
- Achieve better outcomes for Canadians through service excellence.

# DEPARTMENT OF HUMAN RESOURCES AND SOCIAL DEVELOPMENT • PROGRAM ACTIVITY ARCHITECTURE

**Vision:** Build a stronger and more competitive Canada, to support Canadians in making choices that help them live productive and rewarding lives, and to improve Canadians' quality of life.



## Mandate

On February 6, 2006, Human Resources and Skills Development Canada and the former Social Development Canada were consolidated into the Department of Human Resources and Skills Development to be styled Human Resources and Social Development. The powers, duties and functions of the Minister of Social Development were transferred to the Minister of Human Resources and Skills Development, and the Minister was styled as Minister of Human Resources and Social Development. This Minister was also made responsible for the Canada Mortgage and Housing Corporation. Further, a Secretary of State for Seniors was appointed on January 4, 2007 to ensure seniors issues are adequately addressed.

Until new legislation is enacted, the Minister will rely on the provisions of the *Department of Human Resources and Skills Development Act* and the *Department of Social Development Act* for specific authorities.

The *Department of Human Resources and Skills Development Act* defines the powers, duties and functions of the Minister of Human Resources and Skills Development, the Minister of Labour, and of the Canada Employment Insurance Commission. The legislative mandate of Human Resources and Skills Development is to improve the standard of living and quality of life of all Canadians by promoting a highly skilled and mobile labour force and an efficient and inclusive labour market. The Minister of Human Resources and Skills Development has overall responsibility for the employment insurance system, while the administration of the *Employment Insurance Act* is the responsibility of the Canada Employment Insurance Commission.

The *Department of Human Resources and Skills Development Act* provides for the appointment of a Minister of Labour who is responsible for the *Canada Labour Code* and the *Employment Equity Act*, as well as other legislation on wages and working conditions. The departmental statute provides that the Minister of Labour make use of the services and facilities of the Department. The *Act* also sets out the mandate of the Minister of Labour to promote safe, healthy, fair, stable, cooperative and productive workplaces.

The *Department of Social Development Canada Act* defines the powers, duties and functions of the Minister of Social Development. The mandate of

Social Development Canada is to promote social well-being and security. In exercising the power and performing the duties and functions assigned by this *Act*, the Minister is responsible for the administration of the *Canada Pension Plan*, the *Old Age Security Act*, and the National Council of Welfare, and the *Universal Child Care Benefit Act*.

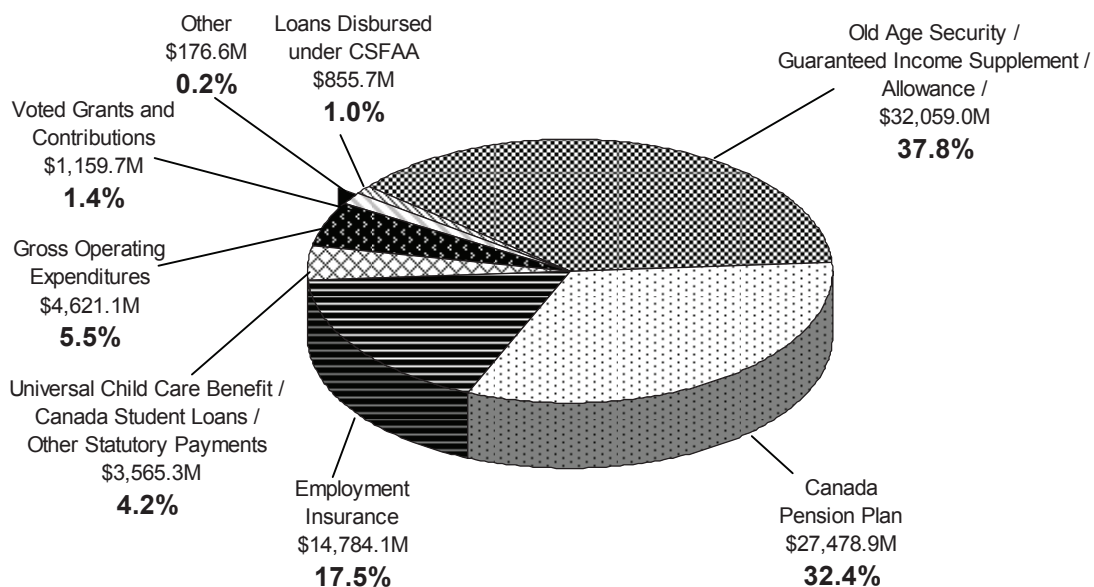
Service Canada operates within the legislative mandate and framework of the current departmental legislation (*Department of Human Resources and Skills Development Act* and the *Department of Social Development Act*). Its mandate is to work in collaboration with federal departments, other levels of government and community service providers to bring services and benefits together in a single service delivery network.

On June 1, 2006, the Policy Research initiative was transferred from the Privy Council Office to the Department. It leads horizontal research projects in support of the medium-term policy agenda of the Government of Canada and identifies data needs and priorities for future policy development.

## Expenditure Profile

Human Resources and Social Development Canada has planned expenditures on programs and services of more than \$84 billion, of which almost \$79 billion, or almost 93%, directly benefits Canadians through Employment Insurance, the Canada Pension Plan, Old Age Security, loans disbursed under the *Canada Student Financial Assistance Act* and other statutory transfer payment programs. The Department has planned spending of \$1.2 billion in voted grants and contributions; \$35.6 billion in statutory grants and contributions; and \$2.1 billion for Employment Insurance Part II.

The financial strategy for Service Canada establishes that statutory funds, including Employment Insurance, Canada Pension Plan, Old Age Security and voted grants and contributions related to the delivery of specified programs will be allocated annually by HRSDC.

**Diagram 2****HRSDC Expenditure Profile – Consolidated Total \$84,700.4M****Human Resources and Social Development  
Canada Gross Expenditures****Budgetary**

Net operating costs		2,909.9
Add recoveries in relation to:		
Canada Pension Plan	249.2	
Employment Insurance Account	1,382.6	
Workers' Compensation	79.4	1,711.2
Gross operating costs		4,621.1
Voted grants and contributions		1,159.7

<b>Total gross expenditures</b>		<b>5,780.8</b>
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Other – Workers' compensation and EI/CPP charges and recoveries	176.6	
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**Non-Budgetary**

Loans disbursed under <i>Canada Student Financial Assistance Act</i> (CSFAA)	855.7	
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**Statutory Transfer Payments****Grants and Contributions**

Old Age Security programs		24,093.0
Guaranteed Income Supplement Allowances		7,413.0
Other Statutory Payments		553.0
Universal Child Care Benefit	2,460.0	
Canada Student Loans	466.2	
Canada Education Savings Grant	540.0	
Canada Learning Bond	25.0	
Wage Earner Protection Program	28.7	
Others	0.1	3,520.0

<b>Sub-total</b>		<b>35,579.0</b>
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Canada Pension Plan benefits		27,478.9
Employment Insurance benefits		
Part I	12,641.0	
Part II	2,143.1	14,784.1
Other Specified Purpose Accounts		45.3 <sup>a</sup>

<b>Total Statutory Transfer Payments</b>		<b>77,887.3</b>
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<sup>a</sup> This amount includes payments related to Government Annuities Account and the Civil Service Insurance Fund.



**Table 1** Human Resources and Social Development Canada  
Financial and Human Resources

	Planned Spending		
	2007–2008	2008–2009	2009–2010
<b>Financial Resources (in millions of dollars)</b>			
Operating Expenditures (gross)	4,621.1	2,636.1	2,606.7
Voted Grants and Contributions	1,159.7	1,088.1	917.2
Statutory Grants and Contributions	35,579.0	36,983.2	38,486.4
<b>Total Gross Expenditures</b>	<b>41,359.8</b>	<b>40,707.4</b>	<b>42,010.3</b>
Loans disbursed under the <i>Canada Student Financial Assistance Act</i>	855.7	749.3	607.0
CPP Benefits	27,478.9	28,881.9	30,381.0
EI Part I - Income Benefits	12,641.0	12,936.0	13,105.0
EI Part II - Employment Benefits and Support Measures	2,143.1	2,143.1	2,143.1
Government Annuities and Civil Service Insurance Payments	45.3	42.6	40.0
<b>Total</b>	<b>84,523.8</b>	<b>85,460.3</b>	<b>88,286.4</b>
<b>Other Departmental Costs</b>			
EI Doubtful Accounts	58.0	60.0	62.0
EI Administration Costs – Other Government Departments	65.0	60.1	53.7
CPP Administration Costs – Other Government Departments	133.0	134.3	134.5
Workers' Compensation Recoveries	(79.4)	(78.4)	(80.4)
<b>Consolidated Total</b>	<b>84,700.4</b>	<b>85,636.3</b>	<b>88,456.2</b>
<b>Human Resources</b>			
Full Time Equivalents	23,437	23,004	22,665

**Table 1A** Program Activities by Strategic Outcome

	Planned Spending (in millions of dollars)		
	2007–2008	2008–2009	2009–2010
<b>Strategic Outcome: Policies and programs that meet the human capital and social development needs of Canadians</b>			
Policy, Research and Communication	197.5	195.1	200.9
<b>Strategic Outcome: Enhanced Canadian productivity and participation through efficient and inclusive labour markets, competitive workplaces and access to learning</b>			
Labour Market	15,406.7	15,638.8	15,761.2
Workplace Skills	213.7	210.0	190.1
Learning	2,100.0	1,984.2	1,868.1
<b>Sub-Total</b>	<b>17,720.4</b>	<b>17,833.0</b>	<b>17,819.4</b>
<b>Strategic Outcome: Safe, healthy, fair, stable, cooperative, productive workplaces and effective international labour standards</b>			
Labour	271.5	254.7	259.0
<b>Strategic Outcome: Enhanced income security, access to opportunities and well being for individuals, families and communities</b>			
Social Investment	59,971.1	62,738.5	65,714.6
Children and Families	2,481.2	2,491.5	2,501.8
Housing and Homelessness <sup>a</sup>	144.5	148.3	0.7
<b>Sub-Total</b>	<b>62,596.8</b>	<b>65,378.3</b>	<b>68,217.1</b>
<b>Strategic Outcome: Achieve better outcomes for Canadians through service excellence (Service Canada)</b>			
Seamless, Citizen-Centred Service <sup>b</sup>	2,479.6	546.2	538.8
Integrity	1,029.6	1,026.6	1,025.1
Collaborative, Networked Government Services	228.4	226.4	226.1
<b>Sub-Total</b>	<b>3,737.6</b>	<b>1,799.2</b>	<b>1,790.0</b>
<b>Total</b>	<b>84,523.8</b>	<b>85,460.3</b>	<b>88,286.4</b>

<sup>a</sup> A new program, the Homelessness Partnering Strategy, was announced in December 2006 and is funded for two years (2007–2008 and 2008–2009).

<sup>b</sup> Common Experience Payments to former Indian residential schools students represent \$1.9 billion for 2007–2008 (pending approval of the Settlement Agreement).

# Context

## Social and Economic Context

Canadians are a proud, hard-working, ambitious people who want better lives for themselves, their children and future generations. In today's world, Canada's economy and society is facing emerging challenges such as increasingly globalized markets; volatile labour markets, rapid technological change; and profound demographic changes.

## Overview of Societal Trends

### Strong Economy and Labour Shortages

Today, Canada's economy is one of the strongest in the developed countries. Recent employment increases in the country have pushed the unemployment rate back down to a 30-year low of 6.1% with more than 345,000 jobs created in 2006,<sup>1</sup> and full-time employment accounting for about 80% of employment gains. Canada also has a well-educated and highly skilled workforce. However, a sea of change in labour markets is creating new challenges. A decade ago, the biggest challenge facing Canada was creating enough jobs for our workers. Now, there are skills and labour shortages in some regions of the country—shortages that will only intensify as our population ages and baby boomers begin to retire in large numbers. Aboriginal Canadians, older workers and persons with disabilities are three groups facing unique challenges to participating in the workforce. While efforts to attract skilled immigrants and assist people in entering the labour force will help, investing in the skills and knowledge of our workplaces will become increasingly important.

Globalization and the growth of the knowledge-based economy are also sharply increasing the importance of the skills, education and adaptability of our workforce for global competitiveness, reinforcing the importance of lifelong learning. This means that we need to focus on enhancing the education and skills of Canadians so they get jobs, earn a better living and build a strong future for their children. The Government will work with the provinces and territories to examine Canada's current array of labour market, employment and skills development programming that help Canadians find and keep jobs.

## Changing Demographic

Societal and demographic changes are reshaping the face of Canada. In 2003, 4.1 million Canadians were 65 years of age and older. Their numbers are expected to reach 6.4 million in 2020 – nearly one in five Canadians. The median age of the labour force was 39 in 2001, up from 37 in 1991. The immigrants who landed in Canada during the 1990s and who were in the labour force in 2001 represented almost 70% of the total growth of the labour force over the decade. With the baby boomers aging and fewer young people entering the working age population, the potential exists for shortages in certain occupations, while putting pressures on the public pension system.

The Government needs to continue to support a diverse workforce by taking into consideration the impact of changing demographics—including the aging population and growing ethnic and cultural diversity.

## Maintaining Global Competitiveness by Enhancing Opportunities to Acquire Knowledge and Skills

Canada has a long and proud history of excellence and achievement in higher education. But in order to remain globally competitive, Canadians must adapt to changing technologies and rising skills and knowledge requirements. Fortunately, Canada has the highest post-secondary attainment rates among OECD countries, and enrolment in post-secondary education continues to grow.

Training and skills development are critical in order for Canadian businesses to compete successfully on the world stage. Canada's employers are not keeping pace with major competitors in the amount of training they provide to their workers. It will be important to create conditions for employers to invest in training, such as through lower taxes and collaborative approaches to addressing pan-Canadian issues. The Government will support workplace training for Canadians by working with provinces, territories and the private sector to make training and skills development more widely available to Canadian workers and better aligned with the needs of the economy.

<sup>1</sup> Labour Force Survey, January 5, 2007, Statistics Canada [www.statcan.ca/Daily/English/070105/d070105a.htm](http://www.statcan.ca/Daily/English/070105/d070105a.htm)

## Urban – Rural Disparities

Concentrated growth in Canada's major urban centres is creating pressures and difficulties in the areas of occupation specific employment shortages, housing, education, social services and transportation. Within many rural and remote communities, the situation is very different. Many of these rural communities are experiencing diminishing economic opportunities resulting in declining populations, which are more reliant on government support. The labour force and post-secondary education participation rates of rural youth tend to be lower than in urban areas and wages for those with employment are relatively lower as well.

## Economic Participation and Social Inclusion of New Immigrants

Immigrants to Canada are now coming from countries that were not a source of immigrants in past years. Too many immigrants face challenges in adapting to the Canadian setting, and many immigrants have difficulties integrating into the Canadian workforce. Their employment rates have fallen below those of other Canadians, and their relative earnings, particularly for the university-educated, are lower. Credential recognition is an important component to immigrants' ability to find rewarding work and to integrate into Canadian society. A lack of adequate literacy skills in Canada's official languages also represents a significant challenge for many immigrants entering the Canadian labour market.

Canada has the highest rate of net immigration of all G-8 countries. The Government believes that immigrants will drive most of Canada's net labour force growth in the coming decade. The Government is committed to take action to increase participation in the workforce by reducing barriers to labour force participation for under-represented groups including new immigrants.

## Socio-economic Pressures on Families

Families play a critical role in shaping Canada's social and economic future. Canadian families are changing. The number of women participating in the labour force is increasing. In 2005, slightly more than 60% of women age 15 and over participated in the labour force compared to about 50% in 1980.<sup>2</sup> Families are

now smaller in size, and delaying child bearing is a trend among young urban couples. With the rise in dual-earner and single-parent families, many families experience challenges in balancing their work and home life.

Families need the flexibility to choose child care services that meet their needs. In particular, workplaces can play a central role in accommodating more flexible arrangements for parents.

In the face of an ageing society, increasing pressure will be placed on families to meet their caregiving responsibilities. In this context, attention will need to be given to supporting Canadians who are engaged in these activities to ensure that they can adequately balance these responsibilities while maintaining their capacity to fully participate in the economic and social fabric of Canadian society.

## Challenges Facing Canada's Aboriginal Population

Aboriginal people often face multiple barriers to their successful labour market participation – including low literacy and essential skills and access to training or education required by employers. The Aboriginal population is also young and growing at a much faster rate than the general Canadian population (a 22% increase between 1996 and 2001), particularly in the North and West, with a large majority (62%) living in Western Canada.<sup>3</sup> The population growth is most rapid among the age group seeking work skills, post secondary education and first jobs. It is estimated that about half of all Aboriginal people are under the age of 25 and that over the next twenty years about 400,000 Aboriginal people will be ready to enter the workforce.

## Challenges Facing People with Disabilities

In Canada there are 3.6 million Canadians or 12.4% of the population that have a disability.<sup>4</sup> This includes 180,930 children (5%), 1.5 million seniors (40%) and 1.9 million working-age adults (55%). These numbers are expected to increase as the population ages. Canada is not fully benefiting from the employment potential, skills and talents of people with disabilities, and people with disabilities in Canada are not living to their fullest potential: 43.5% of people with

<sup>2</sup> Statistics Canada Table 282-000211 at [www40.statcan.ca/01/cst01/labor05.htm](http://www40.statcan.ca/01/cst01/labor05.htm)

<sup>3</sup> 2001 Census: analysis series Aboriginal peoples of Canada: A demographic profile, Statistics Canada

<sup>4</sup> 2001 Participation and Activity Limitation Survey, Statistics Canada

disabilities were participating in the labour market, compared with 73.8% of people without disabilities. Another concern is that many people with disabilities live in poverty (23 % of people aged 16–64 with disabilities lived in low income, compared to 14% of people without disabilities in 2001).

While the full costs of disability to society are not known, the annual costs to the federal government of income support programs and provision of goods and services to the disabled are more than \$6 billion. That does not include the costs of provincial programs and private sector insurance plans, or the lost income and foregone taxes.

### Income Trends among Canadians

The strong economic growth of recent years contributed significantly to lowering the proportion of Canadians with low income. From 1996 to 2004, the number of Canadians who had low income decreased from 15.7% to 11.2%.<sup>5</sup>

Still, some Canadians and their dependents continue to face a particularly higher risk of experiencing low income due to the lack of access to adequate jobs, their family situation and other personal limitations. One in every five off-reserve Aboriginal people and recent immigrants<sup>6</sup> experienced low income in 2004. Significant progress has been made in reducing child poverty in recent years, from a peak of 18.6% in 1996 to 12.1% in 2001. Challenges remain, however, as low-income rates for children have slightly increased in 2004.<sup>7</sup>

While work continues to be one of the most significant factors in alleviating the risk of low income, it is often not a sufficient condition. In 2001, over 650,000 working-age Canadians were able to work the equivalent of full-time for only about half of the year and therefore lived in low-income. In total, 1.5 million Canadians lived in these 'working poor' families.<sup>8</sup>

Among Canadian seniors, the situation has improved. Low-income rates among seniors fell dramatically

between 1980 and 2004.<sup>9</sup> There remain, however, groups within this population, such as those living alone (mostly women) and recent immigrants, who remain at significantly greater risk of low-income. In addition, there are emerging concerns within the private pillar of Canada's retirement income system, in particular the decline in workplace pension coverage.

### Homelessness

More than 150,000 Canadians are estimated to use homeless shelters every year.<sup>10</sup> Countless others are on the streets or are the "hidden homeless" – away from the public eye and outside of the shelter system. As well, over half a million Canadians spend more than 50% of their income on housing<sup>11</sup> (a household which spends 30% or more of its before-tax income on shelter would fall below the affordability standard), putting them at high risk of becoming homeless.

The reasons people are homeless in our country are many and varied. Many homeless people have become disconnected from their families and communities. There are also those who have not been able to find or keep jobs. Sometimes, changes in the labour market, resulting in some sort of unemployment, make it difficult to maintain sufficient incomes for rent payments and, in some areas, the high cost of living contributes to housing affordability problems.

### Policy Environment

Canada's success at home and internationally is increasingly dependent upon our ability to sustain and improve well-being through economic and social development. Today's policy context demands improved understanding of political, social and economic conditions as well as more effective collaboration with provinces, territories, international partners, employers, social partners, labour and key stakeholders such as educational institutions. Working with other governments is particularly important in areas of shared jurisdiction and mutual interest.

<sup>5</sup> Performance 2006: The government of Canada's Contribution: Canada's Performance Report 2006 – Annex 3 – Indicators and Additional Information, Statistics Canada

<sup>6</sup> Arrived in Canada after 1993

<sup>7</sup> Income in Canada 2004 – Statistics Canada – Catalogue no. 75-202 at [www.statcan.ca/english/freepub/75-202-XIE/75-202-XIE2004000.pdf](http://www.statcan.ca/english/freepub/75-202-XIE/75-202-XIE2004000.pdf)

<sup>8</sup> Ibid

<sup>9</sup> From 21.3% in 1980 to 5.6% in 2004

<sup>10</sup> The figure of 150,000 is based on an internal estimation/extrapolation exercise that was done in 2004 by the National Secretariat on Homelessness (now the Housing and Homelessness Branch)

<sup>11</sup> Statistics Canada, 2001 Census

The Department has recently launched a process to update its departmental policy framework. In doing so, HRSDC will be guided by strong overarching objectives:

- Strengthening the economic union and skills of Canadians, particularly through quantity, quality and efficiency gains in the labour market;
- Supporting participation in the labour market, lifelong learning and society by encouraging conditions that increase choice, and supporting Canadians in balancing their earning and caring responsibilities; and,
- Improving economic security, particularly for vulnerable and low-income Canadians.

Accomplishing these objectives will require HRSDC to:

- Exercise leadership in understanding and supporting Canadians at home, at learning, at work, and in society;
- Understand the changing role of government and resource constraints;
- Ensure effective partnerships with other actors; and,
- Understand and interpret new knowledge and findings to build and maintain strong, relevant, effective and efficient programs and policies.

The Department's policy environment is also affected by the work of parliamentary standing committees, most notably the Standing Committee on Human Resources, Social Development and the Status of Persons with Disabilities. Of special interest at present is work underway to study employability in Canada. The study will cover a range of subjects including the mobility of workers, seasonal workers, older workers, skilled worker shortages, workplace literacy and the recognition of foreign credentials.

<http://cmte.parl.gc.ca/cmte/CommitteeHome.aspx?Lang=1&PARLSES=391&JNT=0&COM=10478>

## Service Environment

Service matters to Canadians. Canadians want responsive, helpful and accountable service. Providing good service makes a difference in terms of citizen satisfaction and the amount of confidence they have in the Government and in the public service. Around the world, citizen satisfaction and overall confidence in government's ability to deliver improved services is a key pursuit. According to the 2006 Accenture survey, Canada is at the leading edge of the trend to offer citizen-centred services and transform service delivery.

The spring 2006 Service Canada Awareness Baseline survey showed that, despite low citizen familiarity with the new Service Canada, there is an open and positive public perception of the value of a one-stop integrated government service organization. Service Canada provides improved one-stop service to Canadians in more communities than in the past, across Canada, particularly in rural and remote locations previously under-served by government. Testing has shown that 89% of Canadians support this direction of outreach into rural and remote communities.

Canadians have strong and rising expectations about accessing information and services through various channels. In 2006, 79% of Canadians indicated that they expected to use the Internet to contact Service Canada. Canadians also expect to be able to choose alternate service delivery channels when it suits their needs. In a recent client satisfaction survey, the phone dominated the channel used to contact Service Canada (63%), followed by in-person (39%) and website (30%).

Factors such as reliability, knowledge, fairness and trustworthiness are the aspects of service delivery that resonate the most with Canadians. By a margin of over two to one, the public's preferences and expectations of what constitutes ideal service is accurate and efficient service. Staff quality and information quality were also the most important drivers of client satisfaction.

## Management Environment

In addition to the above factors, the Department is guided and influenced by trends in the federal government management environment. A key pillar of this environment is the *Federal Accountability Act* which became law on December 12, 2006. The *Act* establishes the Deputy Minister as the "accounting officer" for the Department who is accountable before parliamentary committees for the prudent management of resources. It also requires the Deputy Minister to ensure an internal audit capacity appropriate to the needs of the Department and to establish an independent audit committee for the department.

[www.faa-lfi.gc.ca/index\\_e.asp](http://www.faa-lfi.gc.ca/index_e.asp)

Effective spending is another area of focus. There are mounting expectations for faster delivery of more services for the same tax dollar in a more efficient manner. In Budget 2006 the Government committed to identifying one billion dollars in savings from

programs and activities to redirect to new government priorities.

The government is implementing the Management Accountability Framework as an accountability and oversight tool for the Treasury Board. In recent assessments, the Treasury Board Secretariat has commended HRSDC for its work in areas related to change management and human resources management in support of organizational transformation, the evaluation function, reporting to Parliament, and its executive performance management process. Some areas for improvement were also noted, such as governance in an environment of organizational changes, progress on meeting diversity targets for its employees, the lack of a long-term capital plan, the Information Management and Information Technology network and its legacy systems, and the need to continue to improve financial analysis.

Reports from the Auditor General are an important part of the government accountability process. HRSDC is committed to taking action on issues and recommendations highlighted in reports that are relevant to the Department.

Issues relating to the management of human resources are of growing importance given the aging demographics of the Department and the Public Service. The context for human resources management at HRSDC is set by the corporate priorities for the Public Service of Canada as established by the Clerk of the Privy Council, the expectations for good people management and accountability as set out by the People Component of the Management Accountability Framework and the Staffing Management Accountability Framework. Further, the Department is actively engaged in the Public Service Renewal agenda, both within HRSDC and across the government.

The enactment of the new *Public Service Employment Act* in December 2005 completed the legislative implementation of the *Public Service Modernization Act*. The *Public Service Modernization Act* signifies a major transformation in the management of human resources. It provides departments with increased flexibility for human resources decisions; increased capacity to constructively deal with performance issues; and increased staffing flexibility. It also provides for more collaborative labour-management relations, ties human resources planning to business planning; and ensures that human resources policies are reflective of diverse business realities and client needs.

This leads to three principles that guide our approach to human resources management:

- A **flexible values-based approach** to human resources management with sub-delegation of Human Resources authorities to managers in accordance with Public Service Modernization.
- A **corporate approach** to the management of key functional communities of the Department.
- **Partnerships:** branches and unions are key partners in making all departmental initiatives successful and meaningful. HRSDC's human resources management approach should maximize the synergies, the creativity and the co-ordination that strong partnerships and networking bring.

The new *Public Service Employment Act* reinforces the values and principles inherent in the staffing processes, which are intended to:

- safeguard, protect and enhance the integrity of the Public Service of Canada;
- maintain and preserve a highly competent and qualified Public Service; and
- ensure that the Public Service is non-partisan, free of discrimination and its members are representative of Canadian society.

## Corporate Risks

As the Department moves forward, it continues to manage the risks identified in the 2006–2007 Report on Plans and Priorities, with a focus on partnerships, people and governance. These risks are still relevant, with added dimensions that are reflected in the risk description below.

As part of the 2007–2008 priority-setting discussions, the Department has identified the following key corporate risk areas:

- Building relationships with provinces, territories, external partners and Canadians;
- Attracting and retaining a skilled and competent workforce;
- Exercising appropriate governance and oversight on the stewardship of financial resources;
- Managing the continuum between HRSDC's policy and program design and its service delivery networks;

- Developing policies and delivering programs that respond to sudden and significant changes in socio-economic conditions or government direction.

The risk information below presents a snapshot of the key risks the Department is facing together with some of the related mitigation strategies.

### **Building relationships with provinces, territories, external partners and Canadians**

*At risk is our ability to engage in, build and strengthen relationships with provinces, territories, external partners and Canadians in order to ensure timely progress on our commitments and enhanced awareness of our social and economic agenda.*

Efforts to strengthen relations with provincial and territorial governments, other departments and central agencies are underway. The department strives, on an ongoing basis, to maintain and strengthen collaboration with provincial and territorial governments to achieve results for Canadians, while recognizing and respecting provincial and territorial jurisdiction in areas of shared responsibility. However, the challenge of forming and maintaining effective partnerships remains important. This is partly due to the complex nature of our policies, programs and service delivery mechanisms and the large number of partners involved. A further challenge is connecting and engaging Canadians as an ongoing element of policy and program development.

Federal/provincial/territorial relations for HRSDC will be affected by the broader intergovernmental context. The Budget 2006 commitment to restore fiscal balance could result in important mission-related and operational changes for the Department. In this context, the Department intends to work with provincial and territorial governments to help strengthen accountability to Canadians, clarify roles and responsibilities of governments, and improve collaborative management of the federation.

Research and stakeholders' consultations continue to be considered in policy and program development. The ongoing advance toward development of a more robust, interactive web-based presence with opportunities for stakeholders and citizen feedback, along with enhanced electronic collection of information, will help increase the degree of stakeholder involvement in policy and program development. Public opinion research will continue to

help the Department be aware of the public's views as they relate to our programs and policies. Further, the position of Assistant Deputy Minister, Public Affairs and Stakeholder Relations has been created to provide a focal point for relationships with external stakeholders.

### **Attracting and retaining a skilled and competent workforce**

*At risk is our capacity to attract and retain competent and skilled people and develop capacity to address skill requirements needed across the Department which may hinder our ability to deliver on our commitments and to exercise due diligence.*

Attracting and retaining qualified and skilled people is a continuing challenge. Increasing retirements from the public service, along with increased competition from other organizations for the same knowledge workers is causing gaps and shortages in several specialized professional communities (e.g., communications professionals, human resources, finance and internal audit) and in specific program expertise (e.g., industrial relations and occupational health and safety). This situation has also led to turnover of personnel within the Department, resulting in increased hiring, training and loss of corporate knowledge. This may hinder our ability to deliver on our commitments in an efficient and effective manner.

The Department's Corporate Human Resources Plan outlines a range of initiatives including leadership development, post-secondary recruitment exercises, professional development programs, and collective appointment processes. Work will continue to address emerging issues identified through the departmental Human Resources Planning process, as well as the implementation of an Action Plan to address the departmental results of the 2005 Public Service Employee Survey.

### **Exercising appropriate governance and oversight on the stewardship of financial resources**

*At risk is our ability to exercise appropriate governance and oversight on the stewardship of financial resources and the state of internal controls within an environment of organizational changes and evolving accountability relationships.*

Although the Department has made progress in improving accountability and continues its commitment



to integrity and respect for values of the Public Service, risk exposures related to the stewardship of financial resources are still high. Efforts to improve program integrity, clarify accountability and further improve effective financial management will continue to be areas of focus for senior management throughout the year.

In line with the Government's efforts to renew the current expenditure management system, the Department is implementing a series of measures to ensure improved performance information and reporting, budget decision-making, and management of horizontal initiatives. The Department will continue to strengthen policy development and program performance management to clearly demonstrate value for money. Further, the Department is implementing new management practices to address the requirements of the *Federal Accountability Act*.

### **Managing the continuum across HRSDC's policy and program design and its service delivery networks**

*At risk is our ability to effectively manage the continuum across HRSDC's policy and program design and its service delivery networks, in order to achieve meaningful results for Canadians.*

Human Resources and Social Development Canada is a large and complex organization that continues to refine its structures and governance mechanisms to ensure that the continuum across HRSDC's policy and program design and its service delivery networks are well managed. Challenges remain in ensuring sufficient and appropriate communication to inform and manage the policy, program and service delivery continuum, securing information technology support for web development and in staying on track for shared information technology enhancements.

Assistant Deputy Minister committees between Service Canada and HRSDC have been established to monitor the achievement of policy, program and service outcomes and to establish areas of joint work. The committees discuss and bring to resolution issues of a joint nature and work towards coherent priorities that are complementary and integrated.

HRSDC and Service Canada are jointly working to further develop information-sharing mechanisms to effectively support the governance structure. Work will continue on improving performance measures and strengthening linkages between policy

development and program design, program evaluation results, and results-based management approaches. The development of complementary corporate HRSDC and Service Canada Audit and Evaluation Plans is underway and cross-participation and representation in Service Canada and HRSDC Audit and Evaluation Committees are ongoing.

The Department is also improving internal processes and systems in the corporate management that will ultimately enhance the quality of services provided.

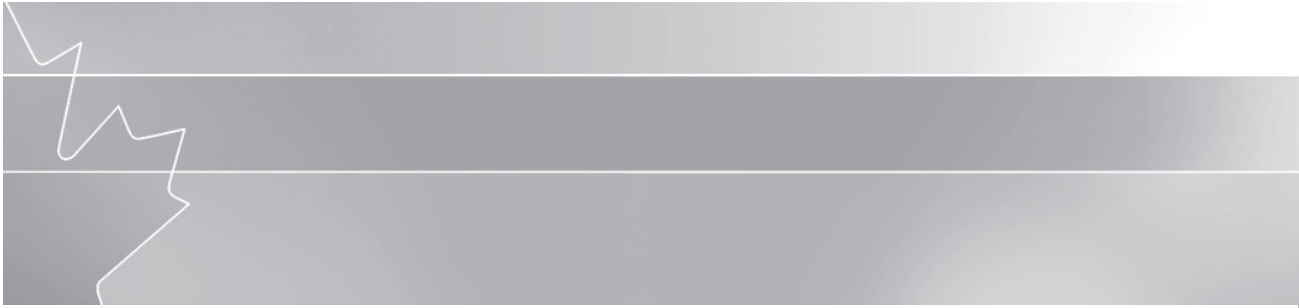
### **Developing policies and delivering programs that respond to sudden and significant changes in socio-economic conditions or government direction**

*At risk is our ability to develop policies and deliver programs to respond to sudden and significant changes in socio-economic conditions or government direction.*

In the context of rapid change in our socio-economic conditions or Government direction, our policies and programs should have the built-in capacity and flexibility to respond to any change. Globalization has led to increased migration, international travel, flow of goods and services, and also brings risks such as the possibility of a global pandemic. Changes related to urbanization and regional migration pose problems for areas with less robust economies and fewer job opportunities. In this environment, the Department faces the daunting task of developing timely and responsive policies and continuously delivering on its programs and services, to meet the changing challenges in meaningful ways for Canadians.

In order to respond to these challenges effectively, the Department has planned various strategies. Specifically, through the development of knowledge strategies targeted at integrated and coordinated data, research, evaluation and knowledge dissemination, efforts are being made to strengthen evidence-based policy development and program delivery to meet Government of Canada and HRSDC priorities. New relationships are being established with the external research community, as well as with national and international organizations to exchange information and share best practices in the management of social and economic policies. HRSDC is also preparing business continuity plans and continuously monitoring and managing legal issues.





# **Departmental Priorities and Performance Measurement Framework**

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# Departmental Priorities

**H**uman Resources and Social Development Canada has identified priorities for 2007–2008 based on an assessment of its mandate, as part of the broader Government of Canada objectives, and the environment in which the Department is operating.

## Departmental Priority ①

### Our Commitment to Canadians

#### Supporting Children, Families and Seniors

Supporting Canadian families is a fundamental aspect of the Department's commitment to Canadians as addressing these needs will help ensure the well-being of Canadian society as a whole. HRSDC's priority is to ensure that Canadian families are able to meet the needs of their members and that they are provided with every opportunity to participate actively in society.

Families with children are the building blocks of society and HRSDC is committed to their care, development and in the case of low-income families, their support. A key aspect of this is providing choice in childcare by fulfilling commitments under the Universal Child Care Plan, which consists of two components:

- Universal Child Care Benefit, started in July 2006, to provide direct financial assistance of \$100 per month per child under the age of six; and the
- Child Care Space Initiative, an initiative that aims to create new child care spaces to help parents balance their work and family responsibilities.

The Department will continue to work collaboratively with provinces and territories to support children and families, which includes fulfilling commitments relating to the Early Childhood Development Agreement, the Multilateral Framework on Early

## HRSDC 2007–2008 Priorities

**Build a stronger and more competitive Canada, to support Canadians in making choices that help them live productive and rewarding lives, and to improve Canadians' quality of life.**

### Our Commitment to Canadians

- Support children, families and seniors
- Promote skills and learning
- Provide service excellence

### Our Commitment to Taxpayers

- Accountability and effective spending

### Our Commitment to Employees

- Workplace of opportunity

Learning and Child Care and the National Child Benefit. Further, we will support the Department of Finance, to fulfill the Government's commitment to implement a Working Income Tax Benefit to help make work pay for low- and modest-income Canadians.

HRSDC will also work to assist vulnerable Canadians by working with other orders of government and communities to address the needs of homeless people. The creation of a new Homelessness Partnering Strategy will be the cornerstone of the government's efforts to assist this vulnerable community.

The Department will support and promote the full participation of people with disabilities, in employment, learning, society and community life, and develop a proposal for a Canadians with Disabilities Act aimed at improving accessibility and inclusion for all Canadians with disabilities. The Department will work with provinces and territories towards the extension of the Labour Market Agreements for Persons with Disabilities, and will explore options for the future of these agreements. Canada Pension Plan Disability program income support to people with disabilities and their children will continue. Also, work will continue to provide opportunities to access return to work support as a means of enhancing the social and economic participation of persons with disabilities. Similarly, HRSDC will continue to promote the use of gender-based analysis throughout the Department and is running pilot projects for official language minority communities.

HRSDC is committed to the well-being and quality of life of Canadian seniors. This includes addressing the opportunities and challenges that an aging population presents and ensuring the long-term effectiveness and sustainability of our public pension programs. This includes implementing proposed amendments (Bill C-36) to the Canada Pension Plan and the *Old Age Security Act* that will help ensure the programs meet the needs of today's and tomorrow's seniors and persons with disabilities. HRSDC will also provide secretariat support to the new National Seniors Council that is being developed to advise the Government of Canada on matters related to the well-being and quality of life of seniors.

Lastly, the Department will support the Expert Panel that is conducting, in partnership with provinces and territories, a feasibility study to evaluate current and potential measures to address the challenges faced by displaced older workers, including the need for improved training and enhanced income support,

such as early retirement benefits. The Expert Panel will be supported by a Secretariat to assist in its consultations and research and may call on the Department's expertise. To address their immediate needs, we are working with provincial and territorial governments through the Targeted Initiative on Older Workers to support unemployed older workers in communities affected by significant downsizing or closures in an effort to reintegrate them into employment.

## Promoting Skills and Learning

The Government's economic plan *Advantage Canada: Building a Strong Economy for Canadians* is a long-term, national economic plan designed to make Canada a world economic leader and will improve the country's economic prosperity and quality of life. A key aim under this plan and a key commitment for HRSDC will be to ensure that Canadians, across the spectrum of skills, have access to a wide array of opportunities and choices that will assist them in becoming the best-educated, skilled and most flexible workforce in the world.

The directions and initiatives that are most central to HRSDC relate to the principle of creating new opportunities and choices for people. With a focus on improving opportunities for Canadians, *Advantage Canada* proposes action and initiatives on numerous fronts:

Increasing Participation of Canadians and Immigrants in the Workforce:

- Reviewing and eliminating barriers to workforce participation for under-represented groups such as Aboriginal peoples, older workers and persons with disabilities;
- Improving labour market programs in order to help Canadians develop the skills they need and employers want;
- Making improvements to the Temporary Foreign Worker program to respond to needs of employers.

Enhancing Opportunities to Acquire Knowledge and Skills:

- Strengthening the quality and competitiveness of the post-secondary education system by providing stable and predictable funding to provinces and territories;
- Working with provinces and territories to develop shared objectives and targets, clarify roles and responsibilities and enhance public accountability;

- Modernizing Canada's student financial assistance to make it more effective;
- Encouraging more students to attend Canadian colleges and universities by marketing the excellence of Canada's post-secondary system;
- Working with provinces and territories and the private sector to make training and skills development more widely available to Canadian workers and better aligned to the needs of the country.

#### Reducing Barriers to the Mobility of Canadians:

- Supporting the removal of barriers to labour mobility across the country;
- Enhancing labour market information available to Canadians so that they can make optimal choices for themselves.

### Provide Service Excellence

Underlying our commitment to Canadians is the provision of excellent service which means a seamless, single-window approach centered on the needs of Canadians. Service Canada's mandate is to work with federal departments, other levels of government, and community-based partners to transform government service delivery for Canadians across all service delivery channels – telephone, Internet and in-person.

For 2007–2008, our priority will be *Improving Access for Canadians*. This provides focus on improving performance relative to our service standards, designing and implementing new service offerings and service enhancements, and implementing initiatives that improve our efficiency and modernize our infrastructure. It means supporting the Government's overall agenda:

- **Focusing government on what it does best:** Focusing on service offerings, such as Employment Insurance, Canada Pension Plan, Old Age Security and service enhancements where most needed by Canadians through improvements to the passport receiving agent service, better assistance to Canadians to find the services and programs they need and simplified processes for Persons with Disabilities;
- **Creating new opportunities and choices for people:** Supporting government policy initiatives through effective service strategies and delivery as well as improved service across our delivery channels;

- **Investing for sustainable growth:** Over the next few years, we will continue to invest in One Client View, infrastructure modernization, and related initiatives to improve efficiency at the same time as improving service;
- **Freeing business to grow and succeed:** Investing in processing automation, electronic Record of Employment, and other initiatives to reduce the paper burden on business related to Employment Insurance and Canada Pension Plan; implementing simplified application processes to reduce requirements for individual Canadians on existing and new service offerings.

## Departmental Priority ②

### Our Commitment to Taxpayers

Our commitment to taxpayers is to use their money wisely to achieve results and value for money. Accountable and effective spending will be achieved through strengthened comptrollership, audit, financial stewardship, improved performance measurement and evaluations that demonstrate value for money. An important part of meeting our commitment to Canadians and to taxpayers is addressing the requirements of the *Federal Accountability Act* and implementing it across the Department.

A key consideration when working to achieve effective management and results is clarifying roles and responsibilities of the Department compared to those of other departments and other orders of government. This will allow us to ensure we are working together towards the same end in the most efficient, cost-effective way possible that provides the programs and services that taxpayers expect.

Further, we will continue departmental integration to ensure effective organizational structures are in place to achieve efficiency in our operations, and coherence in our programs and our policies. HRSDC and Service Canada will continue to deliver on savings commitments. Moreover, by reducing complexity in accessing programs and services and the paper burden on employers, Service Canada will reduce the administrative burden on taxpayers.

An important aspect of our commitment is to support Parliament, its standing committees and the democratic process including reporting our results in a clear and transparent fashion. This includes our efforts to develop

and implement new performance measurement strategies at the branch and program levels to ensure that investments achieve clear results and measurable outcomes that demonstrate benefits to Canadians.

HRSDC and Service Canada will continue its efforts to streamline the management of grants and contributions by balancing accountability and reporting burden to rationalize requirements and to reduce inefficiencies while ensuring program efficiency and effectiveness is well established. This includes addressing recommendations of the Blue Ribbon Panel established to review grants and contributions across the Federal Government.

Efficient and effective programs will be supported through our research on human resource and social development issues. We will ensure a knowledge base and expertise that guides policy development. Through research, audits and evaluations and improved reporting HRSDC will gain a better understanding of how programs are administered and determine their effectiveness with respect to their intended purpose.

Requirements of financial stewardship and effective audit are essential for the sound management of taxpayer dollars. The Department will maintain due diligence to ensure assistance is approved only for eligible recipients and that payment is made only when the terms and conditions are met. Further, we will maintain proper documents and records to ensure transparency.

## Departmental Priority ③

### Our Commitment to our Employees

Our commitment to our employees is essential in addressing our commitments to taxpayers and Canadians. A key aspect of our commitment to employees is a Department with a positive and healthy work environment that supports recruitment, career and professional development and continuous learning.

Further, establishment of HRSDC as a centre of excellence for human resources and social development policy by building its knowledge, research, policy, and program capacity is an important aspect of this commitment. This includes building the capacity to create, share, and use knowledge to enhance organizational productivity and effectiveness. Teamwork will also be an important concept in this new department to move toward innovative approaches to common goals and objectives. In addition, Service Canada will build a service excellence culture by supporting its people, encouraging innovation, and building leadership and capacity to provide citizen-centred service.

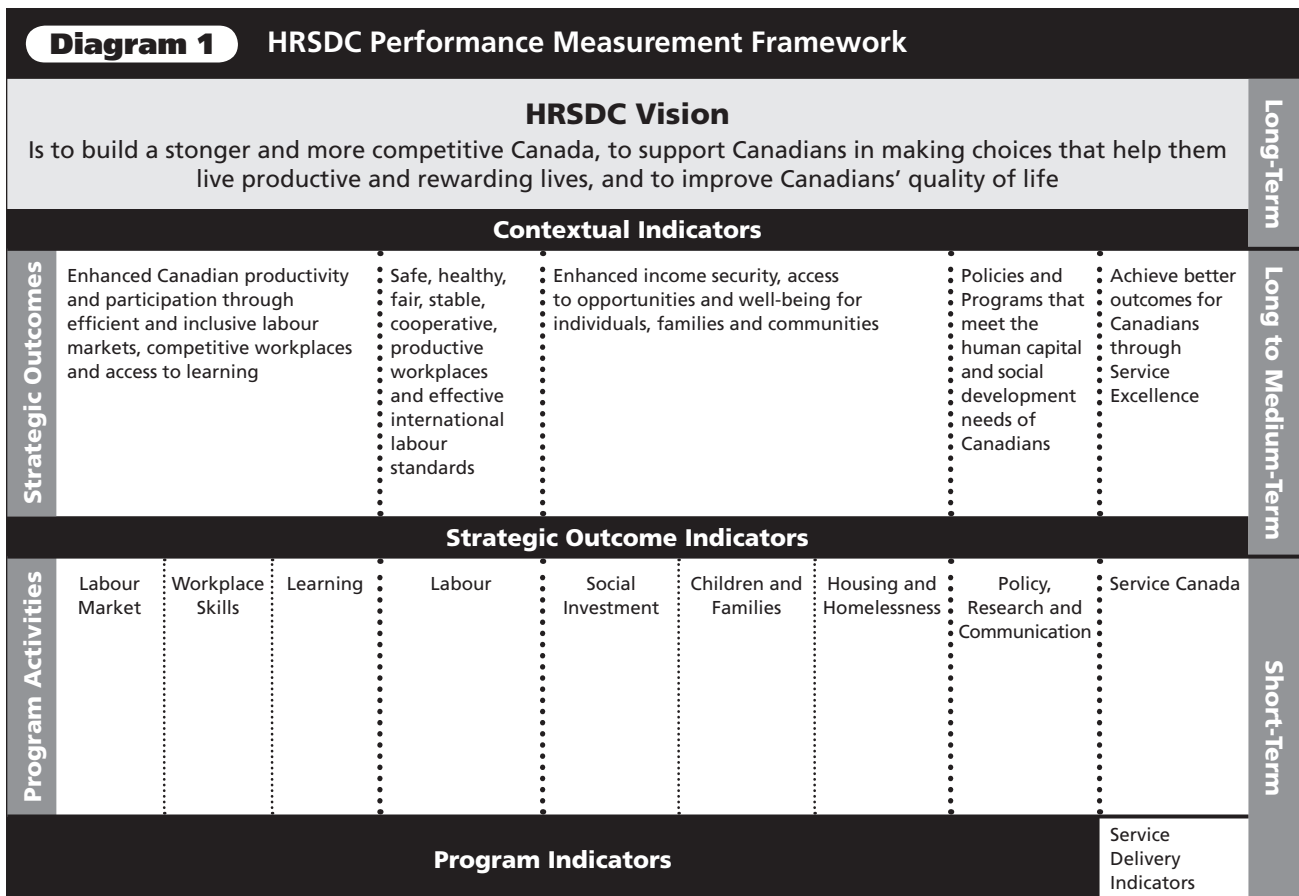
Our guiding vision for HRSDC is that of an organization that is recognized as a centre of excellence. This means that:

- The best recruits are attracted to our organization because we develop leading-edge policy, deliver high-quality programs effectively, and consciously develop and provide challenging learning opportunities to our people;
- Our culture of excellence, integrity, diversity, innovation and people development means that we attract and retain the best talent;
- Our information, human resources and knowledge management systems are flexible so we can effectively manage in a rapidly changing environment.

To fulfill its commitments under the *Official Languages Act* (Part VII) and the *Canadian Multiculturalism Act*, the Department will continue to raise employees' awareness to promote best practices.

HRSDC will also serve as a model of accessibility for the Federal Government, and provide leadership by example to promote accessible workplaces throughout government.

**Diagram 1** HRSDC Performance Measurement Framework



## Performance Measurement Framework\*

HRSDC is committed to measuring its performance, managing for results and reporting on its progress. To accomplish this, HRSDC has established a performance measurement framework that allows the Department to understand its operating environment, define clear performance expectations and track progress. The performance measurement framework provides Parliament and Canadians with information to assess the Department's progress in achieving results.

The Department's performance measurement framework, as depicted in Diagram 1 below, sets out three types of indicators: contextual indicators, strategic outcome indicators and program indicators.

**Contextual indicators** help depict the environment in which the Department operates by describing broad trends in society, the economy and labour markets – such as population growth and gross domestic product per capita. Contextual indicators guide policy develop-

ment and departmental plans and priorities by allowing the Department to assess the continued relevance of programs and the requirement for new programs.

During 2007–2008, the Department is expected to launch its *Indicators of Well-Being Website*, which will include over 80 indicators organized under 11 areas of well-being (work, learning, financial security, family life, housing, social connectedness, leisure, health, environment, security, community involvement).

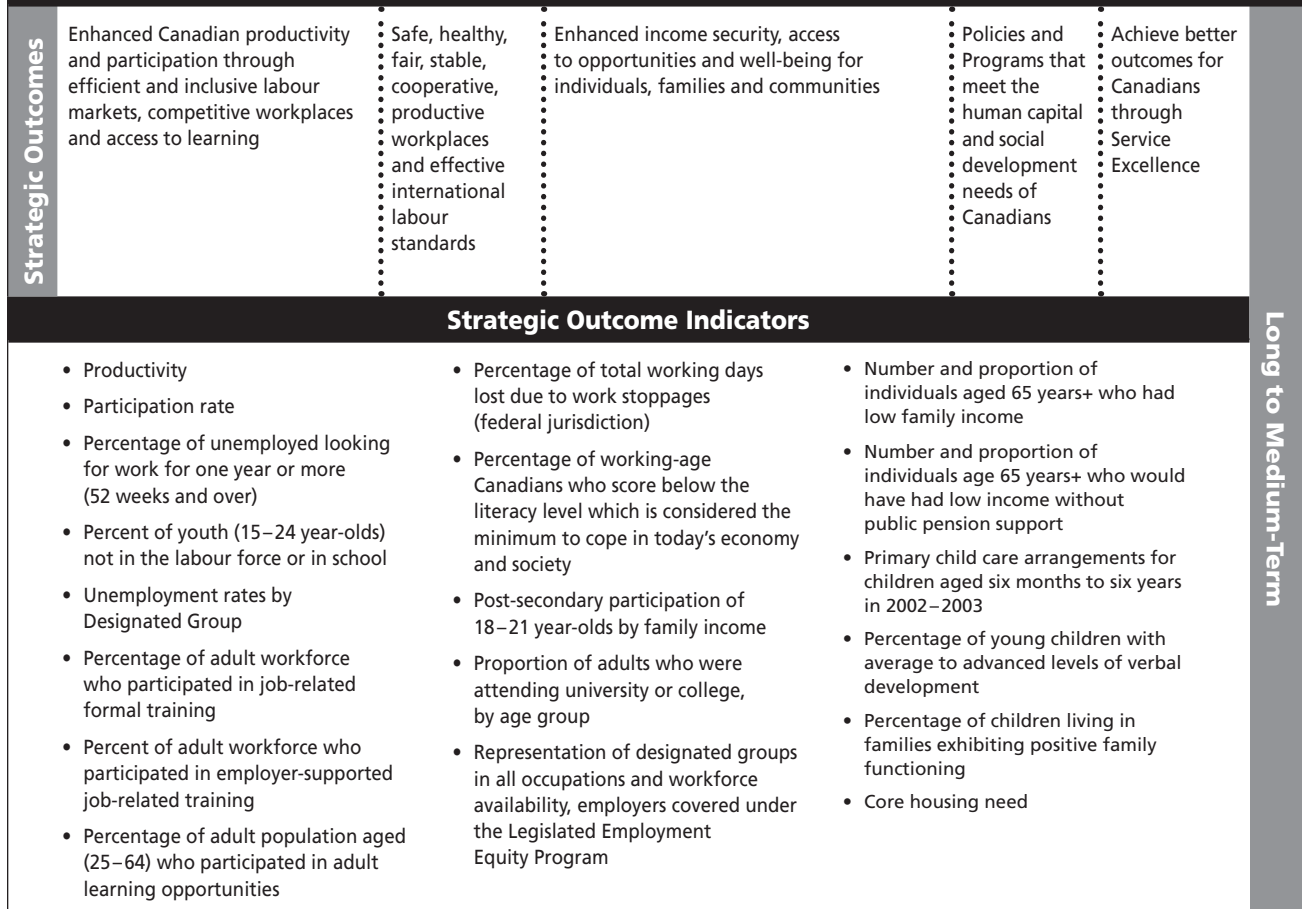
Within each area of well-being the indicators are organized into three groupings related to well-being:

- **Status:** indicators of condition or progress (such as educational attainment, number of Canadians employed, or life expectancy).
- **Life events:** indicators related to significant events that we may experience over the course of our lives (such as getting married, changing jobs, or experiencing a major illness).
- **Key influences:** indicators that reflect individual and societal resources (for example, access to computers at schools, daily exercise, or the availability of public transit).

\* For more information on HRSDC performance indicators please visit [www.hrsdc.gc.ca/en/cs/sp/hrsd/index/cpa](http://www.hrsdc.gc.ca/en/cs/sp/hrsd/index/cpa).



**Diagram 2** HRSDC Performance Measurement Framework: Strategic Outcome Indicators



## Accountability for Departmental Performance

Strategic outcome indicators reflect the ultimate results that the Department is striving to influence over the medium-to-longer term. It is important to note that while the strategic outcomes are within HRSDC's sphere of influence, the Department is not the sole contributor to their attainment. In some cases, as in the percentage of children with behavioural problems and in good parenting situations, the Department has limited influence. Other orders of government, other federal departments, key stakeholders and partners, as well as individual Canadians make important contributions.

Program indicators relate directly to the programs that the Department delivers. These indicators facilitate the setting of targets or objectives for the Department's programs and the monitoring of results. Most of these indicators are measures over which the Department exercises substantial control. Program indicators can be operational in nature and related to outputs and include client satisfaction, program

access and reach, as well as measures of the impacts or results achieved by the program. Different from contextual and strategic outcome indicators, program indicators provide a mechanism through which the outcome of departmental actions can be acknowledged, identified and accountability can be applied. These indicators form the basis of the Department's scorecard for reporting in the Departmental Performance Report.

Positive change in program indicators should be interpreted as a necessary, but not sufficient, condition to achieve improvement in strategic outcomes. The Department recognizes that performance indicators are only part of a comprehensive performance measurement framework. Program evaluations also provide an important source of information on the effectiveness of HRSDC programs.

During 2007–2008, HRSDC will continue to work on strengthening performance indicators, drawing on evaluation and research results. The Department will continue to assess the relevance and validity of the performance indicators as they relate to the achievement of expected results for Canadians.

**Service Indicators:** Service Canada has created a standard performance scorecard to report on performance. The Scorecard includes Service Indicators and additional measures related to the quality, timeliness and volumes associated with the delivery of services to Canadians. Service Canada's annual Scorecard tells Canadians how performance compares to our Service Standards, showing both

positive results and areas that need work. Service Canada will continue to build on the existing performance indicators, create new ones where few exist and create composite indicators to measure performance from a results-based perspective. This work will help us achieve our commitment to *"demonstrate accountable and responsible government by delivering results to Canadians and Government."*

## HRSDC Report Card

### Program Indicators

#### Enhanced Canadian productivity and participation through efficient and inclusive labour markets, competitive workplaces and access to learning

	2007–2008 Target
<b>Clients Employed</b> Number of clients employed and / or returns to school following an employment program intervention and as a proportion of the total number of clients who complete their employment program intervention (s).	Number Range: 205,000–225,000 Proportion: 55%–60%
<b>Job Ready/ Job Search</b> Number of Job Ready/Job Search <sup>a</sup> clients employed or returned to school following an employment program intervention. <sup>b</sup>	Number Range: 87,000–95,000
<b>Developmental</b> Number of clients who become employed or return to school following a developmental <sup>c</sup> employment program intervention.	Number Range: 118,000–130,000
Number of clients participating in Skills Development and as a proportion of the total number of clients who participate in a developmental employment program intervention.	85,000–94,000 68%
Number of apprenticeship clients who received benefits provided through EI Part I or II.	50,000–56,000
Percentage of Sector Councils that meet or exceed expected level of performance.	90%
Increase in the number of trades people who are fully mobile in Canada through Red Seal endorsement.	17,000
Portion of skilled immigrants in occupations targeted by systemic Foreign Credential Recognition interventions.	53%
Percentage of Canada Student Loan borrowers who would have been severely impacted if it were not for the loan.	71%
Client satisfaction with the overall quality of services provided by the Canada Student Loans Program.	75%
Percentage of children 0–17 who have ever received a Canada Education Savings Incentive.	36%

<sup>a</sup> Job Ready / Job Search: support programs that help clients find a good job match as quickly as possible.

<sup>b</sup> This will be a baseline year for calculating proportions for this indicator, and as such, actual results will be reported in the Departmental Performance Report for the following: "Proportion of the total number of Job Ready/Job Search clients who complete their employment program intervention(s)"; and "Average duration of unemployment for active claimants who become employed in the Job Ready/Job Search stream".

<sup>c</sup> Developmental: benefit programs that help clients gain work experience, improve job skills or start a new business.

**Program Indicators**
**2007–2008 Target**
**Safe, healthy, fair, stable, cooperative, productive workplaces and effective international labour standards**

Percentage of collective bargaining disputes settled under Part I (Industrial Relations) of the *Canada Labour Code* without work stoppage. 90%

Percentage of unjust dismissal complaints settled by inspectors (Part III of the *Canada Labour Code*). 75%

Disabling Injury Incidence Rate (DIIR) measuring the change in the rate of lost time injuries, illnesses and fatalities within federal jurisdiction industries from year to year. Reduce the DIIR by 10% over five years (by 2008–2009) in those high-risk industries where we are targeting proactive interventions

Percentage of money collected in relation to the amount found to be owed for complaints under Part III (Labour Standards) of the *Canada Labour Code* (excluding unjust dismissal complaints). 75%

Client satisfaction with the quality of Workplace Information Directorate data. 80%

**Enhanced income security, access to opportunities and well-being for individuals, families and communities**

Number and percentage of clients with enhanced employability. 2,200 clients or 40%

Number of new community-based social development projects or initiatives that have been supported to promote the participation of children and families, persons with disabilities or other vulnerable populations. 30 projects

Number of persons participating in New Horizons for Seniors community projects. 50,000 participants

Percentage of families who are receiving the Universal Child Care Benefit for their children under age 6. 100% of eligible families

Amount invested in communities by external partners (not-for-profit groups, private sector organizations and other government departments) for every dollar invested by the Homelessness Partnership Initiative. \$1.50

Percentage of all Homelessness Partnering Strategy investments targeted to long-term stable housing and related services. 65%

**Service Indicators**
**2007–2008 Target**
**Achieve better outcomes for Canadians through service excellence**

Specialized calls answered by an agent within 180 seconds-information and transaction	95%
General calls answered by an agent within 18 seconds (1 800 O-Canada).	85%
Access to automated telephone information services.	95%
24/7 availability of Internet – information and transaction.	98%
Number of forms online in formats accessible for people with disabilities.	10
Percentage of Canadians with access within 50 kms of where they live.	90%
Number of Service Canada Centres with extended hours of service.	60
Number of established points of service for Official Language Minority Community Groups.	17
Languages offered other than English and French.	10
Notifications sent within seven days of receipt of applications.	80%
Canada Pension Plan retirement benefit payment or non-payment notification issued within first month of entitlement.	85%
Employment Insurance benefit payment or non-payment notification issued within 28 days of filing.	80%
Employment Insurance Umpire Appeals sent to the Office of the Umpire within 60 days.	100%
Employment Insurance Board of Referee Appeals scheduled within 30 days.	90%
Old Age Security basic benefit payment or non-payment notification issued within first month of entitlement.	90%
Pleasure craft licences issued in a visit.	90%
SINs issued in a visit.	90%
Accuracy rate of payments (includes Employment Insurance and Old Age Security) (Canada Pension Plan under development).	95% (EI) <sup>a</sup>
Client satisfaction in relation to services provided	80% <sup>b</sup>

<sup>a</sup> A combined indicator for Employment Insurance and Old Age Security payments will be implemented in 2007-2008.

<sup>b</sup> Refers to biannual client satisfaction survey which will be supplemented by a range of client feedback and related mechanisms.

In addition to the indicators included above, the Department will report in its 2007–2008 Departmental Performance Report on corporate

management statistics related to Employment Equity by Designated Group and on Official Language complaints.

## Corporate Services

In the Department, corporate services (such as human resources, information technology, information management and financial comptrollership) support the achievement of HRSDC's priorities. Corporate

services will implement strategies and build capacity to meet all key responsibilities and accountabilities under the *Federal Accountability Act*. HRSDC will also continue to work with Service Canada to ensure the efficient and effective provision of transactional services.

### Plans

Plan: **Strengthen and ensure effective management in the Department.**

- Ensure effective and efficient corporate services.
- Strengthen information and knowledge management systems.
- Address issues identified in the Management Accountability Framework assessment.
- Ensure effective governance relationship among policy development, program design and service delivery through Service Canada.

Plan: **Maintain and enhance financial stewardship in all areas of the department.**

- Enhance and sustain transparency and oversight functions through accountability measures, including implementation of the *Accountability Act*.
- Support the Deputy Minister in the new role of "accounting officer".
- Address findings from the Auditor General reports.
- Strengthen integrity of programs by improving identity information and reducing error and fraud.
- Realize expenditure review savings and effective spending commitments.
- Enhance processes to provide reasonable assurances regarding effectiveness and efficiency of operations; reliability of financial reporting; and compliance with government policies.
- Continue to work to meet the Office of the Comptroller General deadline for an external audit of departmental financial statements in 2008–2009.

Plan: **Ensure appropriate human resources strategies are employed throughout the Department.**

- Ensure effective recruitment and staffing practices in order to attract the people our organization requires to fulfill our mandate and responsibilities to Canadians.
- Ensure that frameworks and policies are in place to support integrated operational and human resources planning and a values-based approach to staffing and the development of employees.
- Ensure a culture of excellence, integrity, innovation, and the effective delivery of high-quality programs by providing challenging learning opportunities to our people and the tools they require for the job.





## **Section II** Program Activities by Strategic Outcome

**Policies and Programs that meet  
the Human Capital and Social  
Development needs of Canadians**

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# A. Policy, Research and Communications

**H**RSDC's strategic policy, research, and communications functions contribute to policies and programs helping to create opportunities and choices for people to reach their full potential in society and the labour market. Knowledge activities, such as research and evaluation, can identify trends and pressures, as well as provide an understanding of what is working and best practices to support evidence-based policy and program development. Strategic policy can address these trends and pressures, and integrate the responses into the Department's overall approach to human resources and social development policy. Communications translates these policies into communications products that can be easily discussed with Canadians, at the same time as providing a mechanism, through consultations, which facilitates the inclusion of views of Canadians in the research and policy development process. As such, these three functions – policy, research and communications – help HRSDC deliver on its mandate.

HRSDC will continue to lead the development and implementation of policies that support an appropriate federal role in:

- Enhanced income security and well-being for Canadians, particularly children and families through initiatives such as the Universal Child Care Plan, which includes the Universal Child Care Benefit and the Child Care Spaces Initiative, the Canadian Retirement Income System, and disability and homelessness programs;
- Approaches to address challenges and issues related to restoring fiscal balance in areas of post-secondary education and training as well as labour market programming;
- Innovations in addressing adjustment issues, particularly Older Workers including an expert panel on older workers, and incentives to work;
- Canada's Knowledge Advantage, to increase participation in the labour market and create opportunities and choices for people to thrive in a knowledge economy through gains in quantity of participation in the labour force (increasing labour

force participation to meet current and future labour shortages), quality of participation in the labour market (enhancing the quality of education, skills development and training, and developing interest and excellence in research in Canada) and efficiency in the labour force (reducing barriers to mobility and enhancing labour market information availability necessary for informed labour market choices); and

- A policy framework aimed at making HRSDC a Centre of Excellence for integrated human resources and social development policy.

In addition, collaborative work that occurs internally and across federal departments, as well as with the provinces and territories, on horizontal policies is key to advancing the well-being of Canadians. HRSDC will also continue to work with the community not-for-profit sector and federal government departments to promote collaboration and support innovation.

HRSDC is committed to developing a comprehensive and integrated knowledge base to inform government action and respond effectively to the needs of Canadians. HRSDC develops and shares knowledge on human resources and social development issues to support evidence-based decision-making by governments, public institutions, businesses, communities and citizens. It does so by managing key national surveys on human resources and social development in Canada to track and better understand factors affecting the lives and changing needs of Canadians. As well, it monitors and forecasts conditions of labour supply and demand by Canadian occupation and industry through the Canadian Occupational Projection System.

The development and implementation of the "Agenda for Excellence" initiative will enable HRSDC to become a more unified and effective organization aimed at serving Canadians better. HRSDC's "Agenda for Excellence" focuses on people, partnerships and knowledge to assist in the integration of employees into a unified corporate culture and to provide overall direction for the department. The goal of the Agenda is to move the Department toward policy, program



and service excellence by focusing on people, partnerships and knowledge. These three aspects have internal and external perspectives. For example, the people pillar refers to a healthy working environment internally, and refers to engaging, informing and serving Canadians externally.

HRSDC conducts and commissions policy research to identify factors affecting Canadians' well-being throughout their lives which can in turn help people make decisions. Evaluations undertaken by HRSDC help to identify what works as well as best practices to support excellence in effective program delivery and policy development for Canadians. In support of realizing HRSDC's vision of becoming a Centre of Excellence for human resources and social development policy, efforts will be devoted to developing a comprehensive and integrated corporate knowledge plan, including strengthening knowledge dissemination strategies, to support informed decision-making. HRSDC will also strengthen its capacity to monitor and report on indicators of key dimensions of Canadians' lives enabling the

Department, provinces, territories and partners to respond more effectively to current and emerging socio-economic issues. In addition, the Department will continue to strengthen its knowledge capacity by providing a leadership role in the creation, management, preservation, exchange, and use of knowledge on human resources and social development issues to support effective management decision-making. This will include ongoing work to promote consideration of international policy research and analysis in development on policy initiatives to address human resources and social development priorities.

HRSDC understands it is accountable for explaining to citizens how their views have been taken into consideration. The development and implementation of a corporate Public Involvement Framework will support the Department's proactive efforts to promote and facilitate public involvement and awareness of program development and delivery, and maintain a transparent and interactive relationship with the Canadian public.

## Plans

### Policy, Research and Communications

#### Plan: **Support human resources and social development policies of the Government of Canada.**

- Develop policies that support the Government's commitments to create new opportunities and choices for people to reach their full potential and build a better quality of life, and promote the inclusion and participation of all in society and the economy.
- Undertake an older worker feasibility study.
- Contribute to the development and implementation of a Working Income Tax Benefit for low- and modest-income Canadians.

#### Plan: **Develop and implement departmental frameworks and strategies.**

- Develop a long-term policy framework that integrates human resources and social development.
- Integrate and coordinate broad policy areas such as employment, adult learning, income security, social development and essential skills.
- Develop and implement a department-wide Knowledge Management Initiative.
- Develop and implement an Agenda for Excellence.
- Develop an integrated HRSDC Knowledge Plan – a medium-term strategy to develop and disseminate knowledge and facilitate knowledge exchange.
- Strengthen strategies to include evaluation in the policy development process.
- Analyse labour market and social trends that could impact the effectiveness of the Canadian Retirement Income System over the long-term and explore strategies to address these challenges.

**Plan: Advance knowledge development to support informed decision-making.**

- Develop rigorous, integrated knowledge and evidence to identify current and emerging social policy and human resources development issues, including the development, refinement or updating of:
  - A Data Plan - a coordinated, comprehensive strategy for data and survey planning;
  - A Research Plan to identify key research areas to inform policy and program development;
  - An Evaluation Plan to identify key areas for evaluation related to departmental policies and programs;
  - An Internal Audit Plan to identify key areas for risk-based audits related to departmental program activities and internal controls;
  - Knowledge dissemination strategies to foster the sharing of high-quality knowledge including a national conference to promote ongoing dialogue with provinces, territories and external partners;
  - A common knowledge base on social policy and human resources development trends.
- Promote consideration of international comparisons and benchmarking in development of policy initiatives to address human resources and social development priorities.

**Plan: Increase engagement and collaboration with provinces, territories, partners and Canadians through public involvement and other activities to ensure better, innovative and complementary policy initiatives.**

- Implement an engagement strategy and a Public Involvement Framework to guide all HRSDC public involvement activities in a manner that is coordinated and integrated both inter-departmentally and intra-departmentally.
- Continue to support and enhance federal-provincial/territorial relations through formal meetings, consultations and working arrangements, which support the Government's effort to strengthen the economic union and continue to support the social union.
- Develop mechanisms to engage provinces, territories and partners in developing integrated knowledge and evidence (e.g., External Advisory Committee on Knowledge).
- Continue to support the Government of Canada's relationships with community sector organizations that play a key role in serving Canadians.
- Undertake and promote a broader analysis of the role of community in fostering social well-being by learning from existing comprehensive community collaborations aimed at assisting communities to become more economically and socially resilient.

## Programs

The Policy, Research, and Communication program activity provides strategic policy leadership by: promoting key human resources and social development for policies of the Government of Canada; developing and implementing key departmental frameworks and strategies; and engaging and collaborating with provinces, territories, partners and Canadians through public involvement and by advancing knowledge development.

This activity is vital in achieving HRSDC's priorities and outcomes by communicating with and engaging Canadians by building strong relationships with stakeholders.

For more details relating to this program activity please see Section IV – Other Items of Interest.

## Financial Tables

### Financial and Human Resources

	Planned Spending		
	2007–2008	2008–2009	2009–2010
<b>Financial Resources (in millions of dollars)</b>			
Policy, Research & Communication			
Gross Operating Expenditures	197.5	195.1	200.9
<b>Total</b>	<b>197.5</b>	<b>195.1</b>	<b>200.9</b>
<b>Human Resources</b>			
Full Time Equivalents	991	984	1,006

### Details by Programs and Services

<b>Financial Resources (in millions of dollars)</b>			
Policy, Research & Communication			
Strategic Policy	20.5	18.5	19.1
Strategic Analysis, Audit and Evaluation	74.1	72.4	72.3
Public Affairs and Engagement	41.8	41.5	41.5
Allocated Corporate Services <sup>a</sup>	61.1	62.7	68.0
<b>Total</b>	<b>197.5</b>	<b>195.1</b>	<b>200.9</b>
<b>Human Resources</b>			
Full Time Equivalents	991	984	1,006

<sup>a</sup> Corporate Services resources related to the Minister's Office, the Deputy Minister's Office, the Comptroller's Office and the Shared Services have been prorated to each program activity.





**Enhanced Canadian Productivity  
and Participation Through Efficient and  
Inclusive Labour Markets, Competitive  
Workplaces and Access to Learning**

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## B. Labour Market, Workplace Skills and Learning

Canada's continued prosperity lies in maintaining and building on growth, a strong economy and improved productivity and increasing competitiveness, by creating the best educated, most skilled and flexible labour force. Increasingly, the labour market will require workers with higher levels of skills and education, which are vital to improving productivity and sustaining strong economic growth.

Skilled workers contribute to productivity as they process information, perform tasks efficiently and effectively, and adapt to and use new technology. They also generate innovations in products, services and production and distribution processes. As such, HRSDC must continue to focus on supporting a highly skilled and adaptable labour force. In support of achieving this strategic outcome, the Labour Market, Workplace Skills, and Learning program activities complement each other in providing Canadians with the opportunities and choices to participate in an array of programs.

Although these program activities have distinct roles and responsibilities, they have common elements that contribute to the department's focus on supporting lifelong learning and the development and utilization of skills to work in the current and future labour market.

One such common element is the partnerships that are developed and continue to be strengthened with provinces, territories, partners, employers and stakeholders. With these, various strategies and agreements are developed which enable the Department to:

- promote awareness;
- enable access to learning, training and financial support; and
- provide opportunities for skills development both within and outside the workplace.

The federal government has a clear role in addressing national skills and employment issues. As such, federal responsibilities include improving the country's economic union by working to remove barriers to employment, post-secondary education and lifelong learning as well as enhancing mobility and credential recognition and providing national labour market information.

HRSDC programs address the needs of traditionally under-represented in the workforce Canadians such as immigrants, Aboriginal peoples, persons with disabilities and older workers, who wish to participate in the labour market. These groups frequently face barriers to gaining employment and to furthering their education. Through partnerships, the Department gains an understanding of the workplace skills required, promotes and invests in skills up-grading and development, and works to meet the needs of clients, including those in local and regional labour markets.

Together with provinces, territories and partners, HRSDC strives to provide individuals and organizations with the tools they need to succeed, and in so doing, strengthen our society and its growing knowledge-based economy. Each of the program activities supporting this Strategic Outcome target their programs and services toward different clients, yet towards the common objective of creating the best educated, most skilled and flexible workforce.

## Strategic Outcome Indicators

Indicators	Current Level		
Participation rate	<b>By age group (2006)</b>		
	15 years or over	67.2%	
	15–24 years	66.4%	
	25–54 years	86.2%	
	55 years or over	32.1%	
Labour productivity growth, for business sector	2.1% (2005, based on annual averages).		
Canada's productivity level as a percentage of the United States' productivity level	82.9% (2005) total economy; 74.8% (2005) business sector		
Percentage of unemployed looking for work for one year or more (52 weeks and over)	2005	9.2%	
	2004	9.5%	
Percent of youth (15–24 year-olds) not in the labour force or in school <sup>a</sup>	2005	8.9%	
	2004	9.3%	
Unemployment Rates by Designated Group	Women	7.2%	
	People with Disabilities	10.7%	
	Aboriginal Peoples	19.1%	
	Visible Minorities	9.5%	
	Older Workers	6.0%	
Percentage of working-age Canadians who score below the literacy level which is considered the minimum to cope in today's economy and society.	2003 Adult Literacy and Lifeskills Survey	42%	
Percentage of adult population (aged 25–64) who participated in adult learning opportunities	2002 36.7% (source Statistics Canada, Adult Education and Training Survey, HRSDC calc.)		
Post-secondary participation of 18–21 year-olds by family income (2001)	<b>Family After-tax Income Quartile</b>	<b>PSE Participation University/College</b>	
	Lowest	21%	30%
	Lower-middle	25%	32%
	Upper-middle	30%	37%
	Highest	38%	30%
	Overall	29%	32%
Proportion of adults who were attending university or college, by age group (October 2006)	<b>Age Groups</b>	<b>Percentage</b>	
	25–34	9.2%	
	35–44	3.5%	
	45–54	1.5%	
	55–64	0.6%	
	Overall 25–64	3.7%	
Percentage of adult workforce who participated in job-related formal training	1997	28.5%	
	2002	34.7%	
Percent of adult workforce who participated in employer-supported job-related training	1997	22.4%	
	2002	25.0%	

<sup>a</sup> Census 2001 data includes Labour Force 15 years or older that are unemployed.

### Did You Know?

- The percentage of involuntary part-time employment as a proportion of all part-time employment was 25.6% in 2005 – 2006 compared to 26.8% in 2004 – 2005.
- In 2005-2006, the ratio of Employment Insurance regular beneficiaries to the unemployed was 44.8%, compared to 43.6% in 2004 – 2005.
- In 2005 – 2006, there were 83.4% of unemployed Canadians who had been paying premiums and were laid off or quit with just cause who were eligible to collect Regular Employment Insurance benefits. This represents an increase from 80.4% in 2004 – 2005.
- The proportion of regular entitlement collected by Employment Insurance claimants for 2003 – 2004 was 60.9%, a decrease from 61.2% the previous year.
- The proportion of Employment Insurance maternity and parental entitlement collected by Employment Insurance claimants for 2004 – 2005 was 92%.
- In 2005 – 2006, there were 441,239 employment program clients served.

## Efficient and Inclusive Labour Markets...

Labour market programming includes income benefits and active employment measures which provide temporary income support to eligible workers and enables Canadians to develop their skills, maintain or improve their employment earnings and become more adaptable to labour market changes.

Through this programming the Department promotes:

- economic stability;
- individual well-being; and
- a flexible labour market that is capable of adjusting to changes in the economy.

The Department's efforts to increase opportunities and remove barriers for targeted groups such as immigrants, people with disabilities, Aboriginal peoples, and older workers are key goals of labour market programming. This supports the Department's agenda to promote inclusiveness while helping to meet labour market demands. The Department accomplishes this through a number of horizontal

initiatives and collaborative efforts managed by HRSDC in the form of Labour Market Development Agreements; the Aboriginal Human Resources Development Strategy; the Aboriginal Skills and Employment Partnership program; Labour Market Agreements for Persons with Disabilities; the Opportunities Fund for Persons with Disabilities; and the Youth Employment Strategy.<sup>12</sup>

## Competitive Workplaces...

Through the Workplace Skills program activity, HRSDC supports broad economic priorities, such as an adaptable and resilient workforce with high quality skills; a sufficient quantity of skilled workers reflecting and responding to employers' needs; and a flexible, efficient labour market.

HRSDC generates accessible and quality labour market information to inform the decision-making of employers and employees; supports and promotes employer and employee investments in skills development; and supports trades, apprenticeships and mobility. HRSDC, in collaboration with key stakeholders, also works to improve the integration of internationally trained workers into the work force by facilitating the assessment and recognition of qualifications acquired outside of Canada. The Department also works to mitigate domestic labour shortages by facilitating the entry of foreign workers on a temporary basis. Together, these efforts enhance the recognition of credentials, competencies and skills of Canadians, immigrants, and temporary workers so that they can integrate into and benefit Canadian labour markets.

To effectively support this strategic outcome, the workplace skills strategy brings together a broad range of programs, services, provinces, territories, partners, employers and labour – to produce innovative responses to skills issues, to respond to employers' requirements and to enhance the competitiveness of Canadian workplaces.

## Access to Learning...

Lifelong learning is vital to the well-being of individual Canadians, as well as to the productivity, competitiveness and prosperity of Canada.

<sup>12</sup> Details on these horizontal initiatives can be found at: [www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/profil\\_e.asp](http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/profil_e.asp)



HRSDC helps Canadians gain access to the learning opportunities they need to participate more fully in a knowledge-based economy and society.

The department fosters a culture of lifelong learning by:

- Promoting awareness of the importance of lifelong learning and the need to save for post-secondary education;
- Facilitating access for students to post-secondary education and adult learning opportunities;
- Reducing non-financial barriers to adult learning by contributing to the development of innovative approaches to adult learning and strengthening the capacity of adult learning, literacy and essential skills sectors;
- Facilitating the creation of opportunities for Canadians to acquire the learning and essential skills they need;
- Collaborating with provincial and territorial governments and other key stakeholders on the delivery of learning programs and services; and
- Strengthening the capacity of key learner support organizations.

As part of the Learning mandate, the department manages a horizontal initiative, the Canada Student Loans Program, and currently has agreements with three foundations, the Canada Millennium Scholarship Foundation, the Peter Gzowski Foundation for Literacy, and the Winnipeg Foundation.<sup>13</sup>

In September 2006, the Government of Canada announced effective spending measures for adult learning and literacy programs, the Summer Career Placement program (a component of the Youth Employment Strategy), and the Training Centre Infrastructure Fund and the Workplace Partners Panel (relating to workplace skills development). These effective spending measures are re-targeting future federal investments to national priorities and aim to achieve concrete results for Canadians. To better support the needs of students given Canada's stronger labour market conditions, the new Canada Summer Jobs initiative was announced in early 2007.

#### Did You Know?

- 61% of Canadians believe that acquiring a college or university education is much more important today than it was 10 years ago.<sup>14</sup>
- The Canada Student Loans Program currently assists approximately 42% of all full time post-secondary students.<sup>15</sup>
- Since the inception of Canada Education Savings Grants in 1998, assets in Registered Education Savings Plans of Canadian children plans have grown from \$4B to \$20B.<sup>16</sup>

<sup>13</sup> Please see Tables 8 and 9 of Section III for more information on Foundations and Horizontal Initiatives.

<sup>14</sup> Canadian Council on Learning: Canadian Post-secondary Education: A Positive Record – *An Uncertain Future* page V

<sup>15</sup> HRSDC Departmental Performance Report 2005–2006

<sup>16</sup> *ibid.*

**Labour Market**

**Plan: Increase the workforce participation and develop the skills of Canadians by working with provinces, territories, the private sector and partners in the implementation of strategies that will eliminate barriers to employment and improve choices and opportunities.**

- Work with Aboriginal partners, provinces and territories, and employers to reduce workforce barriers for Aboriginal peoples, strengthening and supporting the delivery of the Aboriginal Human Resources Development Strategy and Aboriginal Skills and Employment Partnership program.
- Continue work with provinces, territories, other government departments and stakeholders to assist targeted groups such as unemployed older workers and youth, with employment transitions.
- Work with provinces and territories and stakeholders to examine the current array of labour market, employment and skills development programming in an effort to modernize labour market programming to meet the needs of employers and assist Canadians to find and keep jobs.
- Continue to work with other government departments, stakeholders, and provinces and territories, to conduct program assessments to ensure continued relevance of youth employment programming. Specifically, for student summer employment, launch a new initiative focusing on creating high quality, career related jobs that would not otherwise be created and assisting students who could not otherwise find work as a result of where they live or the barriers they face.
- Continue work with Official Languages Minority Communities, through national committee, consultations and other initiatives, to facilitate and support effective partnerships with private and other public sector stakeholders to ensure the vitality of their local labour markets and economies.

**Workplace Skills**

**Plan: Implement key components of the workplace skills strategy by working with provinces, territories, government departments and stakeholders in advancing multiple activities that include mobility, labour market information, the integration of immigrants, workplace skills development, the skilled trades and apprenticeships.**

- Enhance the Foreign Worker Program by implementing a series of improvements designed to support faster and more efficient entry of foreign workers as appropriate to respond to regional, occupational, and sectoral labour demands.
- Support the creation, adoption, testing and sharing of promising tools and approaches to workplace skills development by encouraging employers to invest in the skills of their employees through the Workplace Skills Initiative.
- Work with provinces, territories and partners on labour mobility issues, including recognizing credentials (both domestic and foreign) and licenses granted by other jurisdictions, removing barriers and enhancing the labour mobility of Canadians, by April 1, 2009, and determine what additional assistance the Government of Canada can provide to accelerate these efforts.
- Continue to work with internal and external partners, provinces and territories to enhance labour market information, products and services and improve pan-Canadian consistency, to help users make optimal, informed labour market decisions.
- Implement the trades and apprenticeship strategy and the Apprenticeship Incentive Grant in consultation with the Canadian Council of Directors of Apprenticeship.
- Work with provinces, territories and other workplace stakeholders to improve essential skills levels by strengthening the capacity of employers to develop workplace tools, models and other supports.
- Continue the renewal of the Sector Council Program by strengthening the sector council network and improving program responsiveness through the introduction of new partnership models to address pressing human resources needs in key sectors of the economy.

**Learning**

Plan: **Enhance management and delivery of learner support programs by ensuring programs are efficient, effective and produce results for Canadians.**

- Undertake a review of Canada Education Savings Program operations and evaluate the impact of recent program changes.
- Assess measures to increase low-income Canadians families' awareness and uptake of education savings incentives, and to increase awareness of the importance of planning and saving for post-secondary education.
- Transition to the selected Canada Student Loans Program Service Provider and renegotiation of Integration and Costing Agreements for the integrated delivery of student financial assistance with the four integrated provinces.
- Implement the government's new direction to re-target the Adult Learning, Literacy and Essential Skills Program in order to ensure that it is delivered in an efficient and effective manner.

Plan: **Continue to address financial and non-financial barriers to post-secondary education and to lifelong learning.**

- Continue diagnostic work with the provinces and territories on support to students to address financial and non-financial barriers to post-secondary education and to lifelong learning.
- Continue to work with provinces and territories to pursue modernization of the delivery of student financial assistance to Canadians, as announced in Advantage Canada on November 23, 2006.
- Continue program policy work on identifying and addressing non-financial barriers to adult learning.

# Logic Model • Labour Market, Workplace Skills and Learning

## Strategic Outcome

Enhanced Canadian productivity and participation through effective and inclusive labour markets, competitive workplaces and access to learning

### Program Activity

	Labour Market	Workplace Skills	Learning
2007 – 2008 Plans	<ul style="list-style-type: none"> <li>Increase the workforce participation and develop the skills of Canadians by working with provinces, territories, the private sector and other partners in the implementation of strategies that will eliminate barriers to employment and improve choices and opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Implement key components of the workplace skills strategy by working with provinces, territories, government departments and stakeholders in advancing multiple activities that include mobility, labour market information, the integration of immigrants, workplace skills development, the skilled trades and apprenticeships.</li> </ul>	<ul style="list-style-type: none"> <li>Enhance management and delivery of learner support programs by ensuring programs are efficient, effective and produce results for Canadians.</li> <li>Continue to address financial and non-financial barriers to post-secondary education and to lifelong learning.</li> </ul>
Program Activity Expected Results	<ul style="list-style-type: none"> <li>Unemployed Canadians who qualify under the <i>EI Act</i> are supported while they look for work, facilitating a smooth, and effective labour market transition</li> <li>Individuals are able to balance work and family responsibilities</li> <li>A resilient and adaptable workforce with smooth labour market transitions between school and work and between unemployment and reemployment</li> <li>Challenges of a changing labour market are mitigated through new strategies: such as for older workers</li> <li>Employers who are able to find skilled workers and thus improve their productivity and competitiveness</li> <li>Improved labour market outcomes for Aboriginal Canadians</li> </ul>	<ul style="list-style-type: none"> <li>Better understanding of workplace-related learning and needs by all stakeholders</li> <li>Enhanced utilization of existing skills in labour market</li> <li>Increase Pan-Canadian consistency of skills recognition processes and requirements</li> <li>Increased commitment of stakeholders towards workplace-related learning</li> </ul>	<ul style="list-style-type: none"> <li>Reduced financial barriers to participation in post-secondary education</li> <li>Reduced non-financial barriers to participation in adult learning</li> <li>Increased awareness of the benefits of lifelong learning and literacy</li> <li>Increased access to international education</li> </ul>
Program Indicators	<ul style="list-style-type: none"> <li><b>Clients Employed:</b> Number of clients employed and / or returns to school following an employment program intervention and as a proportion of the total number of clients who complete their employment program intervention(s).</li> <li><b>Job Ready/Job Search:</b> Number of Job Ready/ Job Search clients employed or returned to school following an employment program intervention.</li> <li><b>Developmental:</b> Number of clients who become employed or return to school following a developmental employment program intervention. / Number of clients participating in Skills Development and as a proportion of the total number of clients who participate in a developmental employment program intervention. / Number of apprenticeship clients who received benefits provided through EI Part I or II.</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of Sector Councils that meet or exceed expected level of performance</li> <li>Increase in the number of trades people who are fully mobile in Canada through Red Seal endorsement</li> <li>Portion of skilled immigrants in occupations targeted by systemic foreign credential recognition interventions</li> </ul>	<ul style="list-style-type: none"> <li>Percentage of Canada Student Loan borrowers who would have been severely impacted if it were not for the loan</li> <li>Client satisfaction with the overall quality of services provided by the Canada Student Loans Program</li> <li>Percentage of children 0–17 who have ever received a Canada Education Savings Incentive</li> </ul>
Programs	<ul style="list-style-type: none"> <li><b>Employment Insurance:</b> <ul style="list-style-type: none"> <li>- Income Benefits</li> </ul> </li> <li><b>Labour Market Programs:</b> <ul style="list-style-type: none"> <li>- Employment Benefits and Support Measures</li> <li>- Labour Market Development Agreements</li> <li>- Aboriginal Human Resources Development Strategy</li> <li>- Aboriginal Skills and Employment Partnerships</li> <li>- Youth Employment Strategy</li> <li>- Labour Market Adjustment</li> <li>- Official Language Minority Communities</li> <li>- Targeted Initiative for Older Workers</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>Workplace Partnerships:</b> <ul style="list-style-type: none"> <li>- Trades and Apprenticeship</li> <li>- The Interprovincial standards Red Seal Program</li> <li>- Workplace Skills Initiative</li> <li>- Sector Council Program</li> </ul> </li> <li><b>Foreign workers and Immigrants:</b> <ul style="list-style-type: none"> <li>- Immigration Portal</li> <li>- Foreign credential recognition</li> <li>- Foreign Worker Program</li> <li>- Interprovincial Labour Mobility</li> </ul> </li> <li><b>Skills and Labour Market information:</b> <ul style="list-style-type: none"> <li>- Skills and Labour Market Information</li> <li>- National Occupational Classification</li> <li>- Essential Skills</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Student Financial Assistance</li> <li>Canada Education Savings Program</li> <li>Adult Learning, Literacy and Essential Skills Program</li> <li>International Academic Mobility</li> </ul>
	Planned Spending: <b>\$15,406.7M</b> / FTE: <b>236</b>	Planned Spending: <b>\$213.7M</b> / FTE: <b>338</b>	Planned Spending: <b>\$2,100.0M</b> / FTE: <b>407</b>

# Programs

## Labour Market

The Labour Market program activity comprises Employment Insurance income benefits and active employment measures. Employment Insurance income benefits promote individual well being, economic stability, and a flexible labour force by providing temporary income support to unemployed workers who qualify under Part I of the *Employment Insurance Act*. Employment Insurance encompasses a wide range of income benefits to address the needs of workers and the labour market, including Canadians who are sick, pregnant, or caring for a newborn or adopted child, as well as those who must care for a family member who is seriously ill with a significant risk of death, in addition to active benefits and measures for those who require them.

Labour Market active employment measures enable Canadians, including unemployed adults and individuals facing barriers to employment, such as youth, displaced older workers and Aboriginal peoples, to develop their skills, find and maintain employment, and become more adaptable to labour market changes. These programs and services strengthen Canadians' participation in a dynamic labour market and are funded through the Consolidated Revenue Fund and Part II of the *Employment Insurance Act*.

## Workplace Skills

Workplace Skills collaborates with industry partners and stakeholders through Workplace Partnerships programming to identify, address, and promote workplace skills development.

Workplace Skills improves immigrant integration outcomes through Foreign Workers and Immigrants programming such as Foreign Credential Recognition, the Immigration Portal, and the Foreign Worker Program.

Workplace Skills also develops and disseminates knowledge and information, which is vital to inform a well-functioning labour market through Skills and Labour Market Information, including National Occupational Classification, Essential Skills, and Labour Market Information.

Funding is administered through non-statutory grants and contributions. The operating expenditures are funded from the Consolidated Revenue Fund and the Employment Insurance Account.

## Learning

The Learning program activity assists Canadians to acquire the education and skills that will enable them to participate more fully in a knowledge-based economy and society.

In doing so, it works in close partnership with the provinces and territories, voluntary sector, financial institutions, service providers and other key stakeholders to increase awareness of and access to lifelong learning and literacy opportunities by reducing financial and non-financial barriers for today's and tomorrow's learners.

Programs within this area are delivered nationally and include statutory and non-statutory programs. In terms of statutory programs, the Canada Student Loans Program promotes accessibility to post-secondary education through the provision of loans and grants to students with demonstrated financial needs. The Program also offers debt management measures to help borrowers with repayment. The Canada Education Savings Program promotes and encourages Canadians to save for a child's post-secondary education through Registered Education Savings Plans by providing grants.

In terms of non-statutory programs, the Adult Learning, Literacy, and Essential Skills Program administer grants and contributions related to adult learning, literacy, and essential skills. The International Academic Mobility initiative administers contribution programming in the area of international student mobility.

The operating expenditures are funded from the Consolidated Revenue Fund and the Employment Insurance Account.

For more details relating to these programs please see Section IV – Other Items of Interest.

## Financial Tables

### Financial and Human Resources

	Planned Spending		
	2007–2008	2008–2009	2009–2010
<b>Financial Resources (in millions of dollars)</b>			
<b>Labour Market</b>			
Gross Operating Expenditures	38.0	34.8	33.9
Voted Grants and Contributions	539.2	482.2	439.1
Statutory Transfer Payments	0.1	0.1	0.1
<b>Total Gross Expenditures</b>	<b>577.3</b>	<b>517.1</b>	<b>473.1</b>
El Part I – Income Benefits	12,641.0	12,936.0	13,105.0
El Part II – Employment Benefits and Support Measures	2,143.1	2,143.1	2,143.1
Government Annuities and Civil Service Insurance Payments	45.3	42.6	40.0
<b>Sub-Total Labour Market</b>	<b>15,406.7</b>	<b>15,638.8</b>	<b>15,761.2</b>
<b>Workplace Skills</b>			
Gross Operating Expenditures	52.1	34.3	31.2
Voted Grants and Contributions	161.6	175.7	158.9
<b>Sub-Total Workplace Skills</b>	<b>213.7</b>	<b>210.0</b>	<b>190.1</b>
<b>Learning</b>			
Gross Operating Expenditures	162.3	156.5	170.9
Voted Grants and Contributions	50.8	27.0	26.6
Statutory Transfer Payments	1,031.2	1,051.4	1,063.6
<b>Total Gross Expenditures</b>	<b>1,244.3</b>	<b>1,234.9</b>	<b>1,261.1</b>
Loans disbursed under the <i>Canada Student Financial Assistance Act</i>	855.7	749.3	607.0
<b>Sub-Total Learning</b>	<b>2,100.0</b>	<b>1,984.2</b>	<b>1,868.1</b>
<b>Total</b>	<b>17,720.4</b>	<b>17,833.0</b>	<b>17,819.4</b>
<b>Human Resources</b>			
Labour Market	236	215	209
Workplace Skills	338	257	249
Learning	407	396	424
<b>Total – Full Time Equivalents</b>	<b>981</b>	<b>868</b>	<b>882</b>

**Financial Tables** (continued)

**Details by Programs and Services**


	Planned Spending		
	2007–2008	2008–2009	2009–2010
<b>Financial Resources (in millions of dollars)</b>			
<b>Labour Market</b>			
Employment Insurance	12,697.9	12,990.4	13,154.8
Labour Market Programs	2,696.8	2,637.0	2,594.6
Allocated Corporate Services <sup>a</sup>	12.0	11.4	11.8
<b>Sub-Total</b>	<b>15,406.7</b>	<b>15,638.8</b>	<b>15,761.2</b>
<b>Workplace Skills</b>			
Workplace Partnerships	162.9	167.9	159.3
Foreign Workers and Immigrants	22.6	22.7	10.9
Skills and Labour Market Information	5.7	6.5	6.5
Others <sup>b</sup>	6.5	2.8	2.8
Allocated Corporate Services <sup>a</sup>	16.0	10.1	10.6
<b>Sub-Total</b>	<b>213.7</b>	<b>210.0</b>	<b>190.1</b>
<b>Learning</b>			
Student Financial Assistance	1,442.0	1,321.3	1,196.0
Canada Education Savings Program	577.3	607.0	614.5
Adult Learning, Literacy and Essential Skills Program	51.4	26.6	26.6
International Academic Mobility	4.0	4.0	4.0
Others <sup>b</sup>	5.1	4.3	4.4
Allocated Corporate Services <sup>a</sup>	20.2	21.0	22.6
<b>Sub-Total</b>	<b>2,100.0</b>	<b>1,984.2</b>	<b>1,868.1</b>
<b>Total</b>	<b>17,720.4</b>	<b>17,833.0</b>	<b>17,819.4</b>
<b>Human Resources</b>			
Labour Market	236	215	209
Workplace Skills	338	257	249
Learning	407	396	424
<b>Total – Full Time Equivalents</b>	<b>981</b>	<b>868</b>	<b>882</b>

<sup>a</sup> Corporate Services resources related to the Minister's Office, the Deputy Minister's Office, the Comptroller's Office and the Shared Services have been prorated to each program activity.

<sup>b</sup> Other category is for the resources which are not directly related to the sub-activities identified.







**Safe, Healthy, Fair, Stable,  
Cooperative, Productive Workplaces  
and Effective International  
Labour Standards**

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# C. Labour

**I**n a global economy, fulfilling the mandate of the Labour Program is crucial to the performance, productivity and competitiveness of Canada's workplaces. The mandate can be defined, in general terms, as the employment relationship between employers and employees and the work environment. More specifically, the Labour Program has a three-fold mandate:

- 1) *Federal Jurisdiction Mandate* - The development and administration of labour-related legislation governing federally-regulated industries. The federal mandate covers approximately 8.5% of the Canadian labour force;
- 2) *National Mandate* - National leadership and coordination within the network of labour jurisdictions in Canada in the interests of strengthening the Canadian economic union;
- 3) *International Mandate* – Managing Canada's international labour affairs, including the relatively recent field of trade-related international labour agreements.

The primary stakeholders of the Labour Program are employers, employees and unions in key sectors of the economy. These sectors include:

- Transportation (airlines, rail, inter-provincial trucking, ports and airports);
- The post office and courier companies;
- Communications (broadcasters, cable companies, telecom companies, Internet providers);
- The banking, grain and nuclear industries;
- Federal Crown corporations, federal departments and agencies (for occupational health and safety purposes);
- A wide range of companies who have major contracts with the federal government (for employment equity purposes); and
- Aboriginal governments, their employees, Aboriginal communities, and certain Aboriginal undertakings.

The Labour Program's federal jurisdiction mandate reaches an estimated 46,000 Canadian workplaces and up to 1,132 million employees. The clients of the Labour Program in the federal jurisdiction mandate area are employers, their employees and their unions

## Strategic Outcome Indicators

### Labour

Indicators	Current Level	
Percentage of total working days lost due to work stoppages (federal jurisdiction)	(2005) Less than 1%	
Representation of designated groups in all occupations and workforce availability, employers covered under the Legislated Employment Equity Program	<b>Representation of Designated Groups (2005)</b>	
	Women	43.3%
	Aboriginal Peoples	1.8%
	Visible Minorities	14.1%
	People with Disabilities	2.7%
	<b>Workforce Availability (2001)</b>	
	Women	47.3%
	Aboriginal Peoples	2.6%
	Visible Minorities	12.6%
	People with Disabilities	5.3%

in key sectors of the economy. They are sophisticated and well organized, whether through labour organizations for employees or through business associations for employers. These organizations are well informed and intensely concerned with all aspects of labour policy, and they are powerful lobbyists. Labour Program clients expect high levels of professionalism in both administration and policy development. Beyond the federal jurisdiction, the Labour Program relates to a wide variety of business, labour and other non-governmental organizations representing the different interests of Canadians on both national and international issues.

The employment relationship and work environment are critical to the productivity and successful functioning of Canadian workplaces. They are equally important to the personal and family lives of roughly 16 million individuals who go to work every day in Canada. The economic importance of the federal jurisdiction is enormous. Significant economic and social impacts can be caused by labour strife in the airline industry, telecommunications, rail, ports, postal and courier services, and so on. Labour law and policy defines the relationship between employers and employees under federal jurisdiction, whether the employees are treated as individuals or are organized into recognized unions. Not only do regulated employers and unions look to the federal government to assist in their labour relations, but also thousands of businesses in provincial jurisdictions can be immediately impacted by disputes in the federal jurisdiction. Transportation and communications are the infrastructure of the economy, and third party impacts in these sectors are immediate and substantial.

Rights in the workplace are among the most tangible and important citizens have in day-to-day terms. The presence of the Government of Canada is represented directly to thousands of Canadians every year in workplaces across the country by officials of the Labour Program in matters of great concern to them. The Labour Program's regulatory program is particularly significant in the case of non-unionized employees who are fending for themselves. Employees who are dismissed, or who are not properly paid their wages, and who have no union to represent their interests, must rely on a Labour Program officer to protect their rights. The lack of access, or prolonged delays in obtaining responses to complaints, can have a serious impact on personal

lives, and be far more costly to employers, employees and the government than rapid resolution, usually through mediation of a settlement.

Employees rely on Labour Program officials to promote and protect their health and safety at work. Enforcement of the right to refuse dangerous work and other rights related to occupational health and safety have critical consequences for both employees and employers. Again, the promotion of occupational health and safety is best undertaken in a proactive and preventative context. The consequences of lax administration in this field can bring high costs to companies and the economy, and can be tragic at the level of the individual worker. On the other hand, the potential savings of good occupational health and safety practices can mean billions of dollars annually to public health care and workers' compensation systems.

Similarly, Aboriginal Canadians, visible minorities, women and the disabled look to the Labour Program to promote equity in their employment opportunities.

During the 2007–2008 fiscal year, the Labour Program will be focusing on a number of activities, along with ongoing operations. The Labour Program will be analysing recommendations emanating from a review of Part III of the *Canada Labour Code* and will be seeking the views from stakeholders to follow-up with them on the government's decisions regarding legislative and administrative changes.

As a statutory requirement, the *Employment Equity Act* is reviewed by Parliament every five years. The Standing Committee on Human Resources and Social Development will conduct the review. Federal partners, such as the Canadian Human Rights Commission and the Public Service Human Resources Management Agency, collaborate in the review.

The *Wage Earner Protection Act* was passed by Parliament on November 25, 2005, but has not yet been proclaimed in force because of Parliament's wish to revisit a number of its technical provisions. The Act establishes a program to compensate workers, up to a limit, for unpaid wages and vacation pay owed to them by employers who are declared bankrupt or are subject to receivership under the *Bankruptcy and Insolvency Act*. Work remains to be done on technical amendments to the Act and on the design and implementation of the program. This will involve the Labour Program in setting program policy and

direction. Most importantly, Parliamentary approval for changes to the Act are needed before the existing Act can be put into force.

Key challenges that the Labour Program will face in 2007–2008 include managing high profile disputes in key industries, as well as contentious industrial relations policy issues. Of particular importance, a private member's bill seeking to amend the *Canada Labour Code* to ban the use of replacement workers was reported back to the House of Commons in February. The Labour Program, through the Federal Mediation and Conciliation Service is required to provide ongoing support to the Minister of Labour in his efforts to manage the repercussions of the Parliamentary process. In addition, a new industrial relations internship program will be in the first year of implementation. Particular efforts will be required to hire and provide rotational training to new recruits over a period of two years in order to build capacity for the industrial relations community.

There has been a sharp increase in the number and complexity of workplace refusals by employees who feel there is a danger in performing certain tasks or using certain equipment. In order to ensure there is a

consistent approach in dealing with these refusals, new guidelines and operational directives are being developed in implementing the requirements of the *Canada Labour Code*.

A critical challenge facing the Labour Program in terms of International and Intergovernmental Affairs is to enhance the engagement of Canada's provinces and territories on international labour issues. Of particular importance is securing provincial territorial agreement to adhere to the labour cooperation agreements that Canada signs with its free trade partners and to ratify international labour conventions that aim to protect fundamental rights at work. In addition, a federal-provincial-territorial strategy needs to be developed to improve Canada's record of compliance with existing international obligations. The directorate also faces the challenge of finding the means to ensure that the delivery of Labour Program services in Aboriginal communities is effective and managed in a culturally sensitive way.

The *Government Employees' Compensation Act*, which provides benefits for federal employees who are injured on the job, needs to be modernized. This would include support for prompt reporting of injuries, as well as the

## Plans

**Plan: Analyse recommendations in the Report of the Commissioner on the Review of Part III (Labour Standards) of the Canada Labour Code and consult stakeholders, identify and evaluate options for the government response.**

- Obtain responses from stakeholders on legislative and administrative recommendations of the review.
- Analyse the report and recommendations; identify areas in the report that would require further research and follow up as appropriate; perform economic and social impact analyses and determine the operational feasibility of specific recommendations.

**Plan: Proactive administration of existing Pay Equity legislation**

- Promote education and provide promotional materials to increase awareness of pay equity legislation.
- Advise federally-regulated employers, employees and unions of their rights and obligations.
- Make available specialised mediation assistance to workplace partners in order to provide them with critical assistance in their efforts to implement pay equity in accordance with their statutory obligations.
- Monitor employers' progress, provide expert guidance on implementation and, if necessary, refer cases to the Canadian Human Rights Commission for investigation when employers refuse to implement pay equity.

**Plan: Complete preparations for the Wage Earner Protection Program**

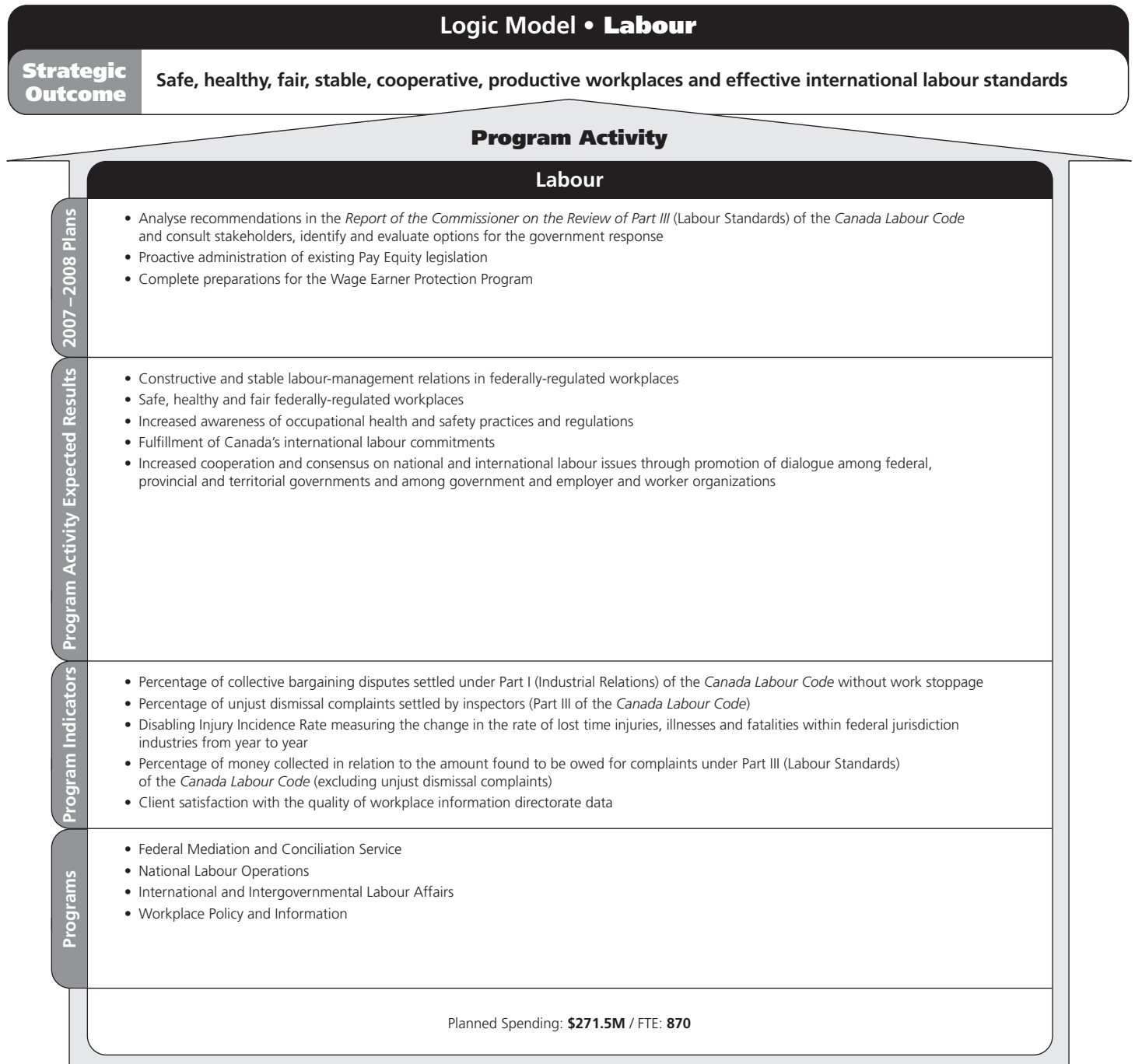
- Support the regulatory and legislative processes by providing policy advice and relevant information as circumstances require.
- Finalise Program policy and work with Service Canada to design, develop and ready the Program for implementation.

safe and early return to work of injured employees. These objectives are not adequately addressed, resulting in longer than normal claim durations for federal government claims. Legal difficulties have also arisen due to certain conflicts between federal and provincial compensation Acts. A review of the Act is under way to address these challenges. Furthermore, a federal Disability Management Strategy is also being

considered to promote more efficient management of disabilities and effective return to work and accident prevention programs.

More information on the Labour Program can be found at:

[www.hrsdc.gc.ca/en/gateways/nav/top\\_nav/program/labour.shtml](http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/labour.shtml)



# Programs

## Labour Program

The Labour program activity promotes and sustains stable industrial relations and a safe, fair, healthy, equitable, and productive workplace within the federal labour jurisdiction. It collects and disseminates labour and workplace information, represents Canada at international labour activities, fosters constructive labour-management relationships and ensures that minimum labour standards and occupational health and safety protections are enforced.

The operating expenditures are funded from the Consolidated Revenue Fund and the Employment Insurance Account.

For more details relating to this program please see Section IV – Other Items of Interest.

### Financial Tables

#### Financial and Human Resources

	Planned Spending		
	2007–2008	2008–2009	2009–2010
<b>Financial Resources (in millions of dollars)</b>			
Labour			
Gross Operating Expenditures	99.9	93.1	95.4
Voted Grants and Contributions	3.9	3.9	3.9
Statutory Grants and Contributions	28.7	28.7	28.7
<b>Total Gross Expenditures</b>	<b>132.5</b>	<b>125.7</b>	<b>128.0</b>
Workers' Compensation Payments	139.0	129.0	131.0
<b>Total</b>	<b>271.5</b>	<b>254.7</b>	<b>259.0</b>
<b>Human Resources</b>			
Full Time Equivalents	870	817	826

#### Details by Programs and Services

<b>Financial Resources (in millions of dollars)</b>			
Labour			
Federal Mediation and Conciliation Service	8.2	7.7	7.7
National Labour Operations	187.5	173.6	175.5
International and Intergovernmental Labour Affairs	6.7	6.3	6.3
Workplace Policy and Information	38.1	37.3	37.3
Other <sup>b</sup>	1.0	1.0	1.0
Allocated Corporate Services <sup>a</sup>	30.0	28.8	31.2
<b>Total</b>	<b>271.5</b>	<b>254.7</b>	<b>259.0</b>
<b>Human Resources</b>			
Full Time Equivalents	870	817	826

<sup>a</sup> Corporate Services resources related to the Minister's Office, the Deputy Minister's Office, the Comptroller's Office and the Shared Services have been prorated to each program activity.

<sup>b</sup> Other category is for the resources which are not directly related to the sub-activities identified.



**Enhanced Income Security,  
Access to Opportunities and  
Well-Being for Individuals,  
Families and Communities**

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# D. Social Investment, Children and Families, Housing and Homelessness

## Well-being for Individuals, Families and Communities...

Canada's economic prosperity, its vibrant labour market, and a strong and vibrant society are closely linked to the security and well-being of Canadians, their families and communities.

As highlighted at the outset of this report, individuals, families and communities are facing new challenges. HRSDC is working with other government departments, stakeholders, and the provinces and territories to address these challenges.

HRSDC provides a number of programs and services for Canadians to provide them with the support, knowledge, and information they need to maintain their well-being and facilitate their participation in all areas of society. There is a special emphasis on vulnerable Canadians.

In 2007–2008, HRSDC will continue its efforts to build and improve social investments for Canadians with a focus on core social programs for:

- children and families;
- seniors;
- people with disabilities;
- communities; and
- homeless people.

### Strategic Outcome Indicators

Indicators	Current Level		
Number and proportion of individuals aged 65 years+, who had low family income	218,500	5.6%	(2004)
Number and proportion of individuals aged 65 years+ who would have had low income without public pension support	1,977,400	50.9%	(2004)
Primary child care arrangements for children aged six months to six years in 2002–03:	Parental		47%
	Non-parental		53%
	Care by a relative		29%
	Care by a non-relative		38%
	Daycare centre		28%
	Other		5%
Percentage of young children with average to advanced levels of verbal development	2002–2003 86.9% of children 4–5 years of age displayed average to advanced levels of verbal development.		
Percentage of children living in families exhibiting positive family functioning	2002–2003 90.2% of children from birth to 5 years of age lived in well-functioning families		
Core Housing Need	1.5 million Canadian households 13.7% (2001 Census)		



The Department will achieve this by ensuring that programs are accountable, efficient and managed to achieve results.

## Enhanced Income Security...

Ensuring income security is essential to the quality of life and well-being of Canadians. HRSDC develops and administers a broad range of programs that address the needs of seniors, persons with disabilities and children and families.

Seniors constitute the fastest growing population in Canadian society. In the next 30 years, nearly one in four Canadians will be a senior. This represents a fundamental demographic shift in the population. Despite the fact that many of today's seniors are generally healthier, better educated and economically better off than their predecessors, there are seniors that remain vulnerable and face significant challenges. The Department's delivery and administration of the Canada Pension Plan and Old Age Security aims, among other objectives, to ensure that seniors receive all the benefits to which they may be entitled and contribute to a stable income for them in retirement.

Income security is also a significant challenge for people with disabilities. Many individuals with disabilities are not always able to earn an adequate income through employment. Recognizing these factors, the Government of Canada uses its fiscal and tax policies to support people with disabilities and their caregivers through a variety of income support measures and tax incentives. As part of the Government of Canada's income support programs, HRSDC manages the Canada Pension Plan Disability program. Canada Pension Plan Disability pays monthly benefits to eligible contributors to enhance the social and economic participation of people with disabilities. The Canada Pension Plan Disability is Canada's largest long-term disability insurance plan and is an important source of earnings replacement for Canada Pension Plan contributors who cannot work due to a severe and prolonged disability.

The economic security of families with children is another key area of concern for HRSDC. HRSDC will continue to support these families through the National Child Benefit, which helps to ensure children in low-income families, get the best possible start in life. Through the National Child Benefit initiative, the federal government works in

partnership with provincial and territorial governments to provide income support, as well as benefits and services, for low-income families and their children. In addition to the base benefit of the Canada Child Tax Benefit, low-income families with children are eligible for the National Child Benefit Supplement.

In 2007–2008 the Department will continue work with the Department of Finance to implement a Working Income Tax Benefit to help make work pay for low- and modest-income Canadians.

HRSDC's Social Development Partnerships program was affected by effective spending measures of September 2006 in two ways: the program's Early Learning and Child Care and the social inclusion components will be consolidated into one single Children and Families component; and the Understanding the Early Years Initiative will grow to 50 communities instead of the planned 100.

## Access to Opportunities

Access to opportunities refers to a wide variety of social programs and services that help those that face barriers in society and in the labour market. For HRSDC this means strengthening and building

### Did You Know?

Ministers unanimously approved in principle several changes, notably: easing disability eligibility for contributors with 25 or more years of contributions and adopting guidelines to operationalize requirements to fully fund and account for benefit enhancements. These, along with other amendments, comprise Bill C-36, introduced in Parliament on November 29, 2006, as an Act to Amend the Canada Pension Plan and *Old Age Security Act*.

*Canada Pension Plan Triennial Review:* In June 2006, federal, provincial, and territorial finance ministers concluded the Review confirming that the Plan is on sound financial footing and that the current contribution rate of 9.9% will be sufficient to sustain it into the foreseeable future.

The average proportion of income provide by public pensions is:

Seniors	OAS 23.1%, CPP 18%
Low income Seniors	OAS Programs 58.1%

## Did You Know?

Child poverty rates declined from a high of 18.6% in 1996 to 12.1% in 2001. They have subsequently increased slightly to 12.4% in 2004.

By 2007, child benefits delivered through the Canada Child Tax Benefit are projected to reach \$9.5 billion per year.

- This includes over \$3.7 billion in benefits targeted to low-income families with children through the National Child Benefits Supplement.
- The maximum federal child benefits for a low-income family with two children will rise from \$6,175 today to \$6,312 by 2007–2008.

Because of the National Child Benefit 106,000 children in 45,900 families were prevented from living in low income in 2002 – a 9.7% reduction (National Child Benefit Progress Report: 2004).

- Overall, young children in Canada are developing well. According to their parents, in 2002–2003, over 80% of young children between 2 and 5 years of age were displaying positive signs of development with respect to emotional and social behaviours such as hyperactivity/inattention, anxiety or aggression/conduct problems.

capacity to increase access to services, information, and resources, as well as funding and encouraging social programs that empower and engage citizens.

Recognizing that the needs of families are diverse, in 2006 the Government of Canada introduced a new approach to child care to give parents the flexibility to choose the option that best suits their needs. Canada's Universal Child Care Plan recognizes families as the key building block of society and gives parents the flexibility to balance work and family as they see fit.

As the federal government's focal point for seniors' issues, the Seniors and Pensions Policy Secretariat supports and co-ordinates federal efforts to identify issues and opportunities created by the growing seniors population. HRSDC will continue to work with other federal government departments and with provinces, territories and partners, including various stakeholders, on the policy, program development and coordination of the Government's approach to seniors' issues in Canada. In this role, it will also support the work of the newly appointed Secretary of State (Seniors) and the National Seniors Council.

HRSDC also supports the Government of Canada on matters affecting people with disabilities. HRSDC will strive to improve awareness, coherence, and horizontal management of disability issues within the Department, and across the Government of Canada. Additionally, HRSDC's Office for Disability Issues serves as a model of accessibility for the federal government, and provide leadership by example to promote accessible workplaces throughout the government.

At the community level, HRSDC is committed to supporting the efforts of the community not-for-profit sector to innovate, strengthen networks of collaboration, promote self-sufficiency and share good practices to contribute to community well-being.

HRSDC works to prevent and reduce homelessness by working with communities to broaden and increase partnerships – with a focus on the corporate sector, unions and foundations to ensure the long-term sustainability of community efforts. Over the past six years, this work has led to enhanced planning, decision-making, networking and information-sharing. These valuable assets have helped build and sustain a network that can generate local solutions to address homelessness. A range of facilities such as emergency shelters, supportive and transitional housing, and related support services have been made available for homeless people and at-risk Canadians.

A new Homelessness Partnering Strategy was announced by the Federal Government on December 19, 2006 to combat homelessness in Canada. This replaces the National Homelessness Initiative and provides \$269.6 million over two years to help put in place the structures and supports needed to move individuals towards self-sufficiency and participation in Canadian society. This new strategy builds and improves upon the National Homelessness Initiative, by focusing on a 'housing-first' approach to homelessness in Canada. By working with communities, provinces and territories, partners in the private and not-for-profit sectors and Aboriginal partners, the Strategy will encourage an effective alignment of federal/provincial/territorial investments and facilitate access to the range of services and programs that homeless individuals and families need in order to move towards self-sufficiency. Under the Homelessness Partnering Strategy, the federal government will offer the provinces and territories the opportunity to enter into bilateral partnerships to deepen collaboration between the two levels of government that would help develop linkages

### Did You Know?

- Canada's homeless population has many faces: men, women, children, youth, newly arrived immigrants, refugees, victims of spousal violence, persons suffering from mental illness or addictions, and low-wage workers.
- Surplus Federal Real Property for Homelessness Initiative has transferred 76 federal properties to community groups for the creation of 982 new beds.
- The cost of keeping an individual in a correctional or health facility is estimated to be from \$200 to \$600 per night whereas the costs of transitional and supportive housing are between \$20 to \$60 per night.

between the federal homelessness programs and provincial/territorial social services, thus assisting communities in making strategic investments toward maximizing outcomes for the homeless population.

HRSDC will make a concerted effort, through the Homelessness Partnering Strategy, to improve collaborative work among departments by working with other federal departments and agencies to achieve shared outcomes, and to find the appropriate accountability and delivery instruments.

- In the area of health, HRSDC is involved with the Canadian Institutes on Health Research program, Reducing Disparities Initiative and through funding of various projects.
- Other cross-departmental research partnerships efforts include: the Social Sciences and Humanities Research Council to ensure active dissemination of the results of previously funded research in the area of homelessness and diversity through various outreach knowledge transfer activities; the Metropolis Project at Citizenship and Immigration Canada through continued support of its Interdepartmental Committee<sup>17</sup> the National and

International Metropolis Conference contributions of HRSDC-funded researchers in various Metropolis policy publications, and other knowledge transfer activities; Canada Mortgage and Housing Corporation through various co-funded research projects; and Statistics Canada through continued liaison to improve data holdings in the area of housing and homelessness.

- HRSDC staff will continue to hold discussions with departments such as Justice Canada, Canadian Heritage, Public Safety and Emergency Preparedness Canada and Status of Women Canada, in order to improve relations among federal departments.

HRSDC has been working with Canada Mortgage and Housing Corporation to strengthen collaboration. HRSDC will continue to ensure that the department's programs for the homeless population complements those offered by Canada Mortgage and Housing Corporation's Affordable Housing Initiative and Residential Rehabilitation Assistance Program. To this end, HRSDC is renewing its agreement with Canada Mortgage and Housing Corporation on general research issues, data sharing, and data integration. Other collaborative initiatives include the HRSDC-led Action for Neighborhood Change project, where agreements have been signed with other federal departments including Health Canada, and Public Safety and Emergency Preparedness Canada.

<sup>17</sup> The Metropolis Project is an international forum for comparative research and public policy development about population migration, cultural diversity and the challenges of immigrant integration in cities in Canada and around the world

**Social Investment**

**Plan: Raise awareness of seniors' issues and improve the retirement income system.**

- Develop and implement a plan to inform people about the retirement income system and their role within it. Efforts will include a focus on Aboriginals on-reserve.
- Continuing efforts will be directed towards future reforms to Old Age Security and the Canada Pension Plan to ensure that the programs meet current and future needs. Implementing the proposed amendments of Bill C-36 (an Act to amend the Canada Pension Plan and *Old Age Security Act*) will be a priority for 2007–2008 if it is passed.
- Develop and, once created, support, a National Seniors Council that will advise the Government of Canada on all matters related to the well-being and quality of life of seniors.

**Plan: Support full participation of persons with disabilities in the labour market and society.**

- Undertake policy research to develop a proposal for a Canadians with *Disabilities Act*.
- Renew labour market programs for people with disabilities as part of the development and implementation of a departmental labour market strategy.
- Contribute to the Canada Pension Plan Triennial Review by managing the adoption of an amendment to ease contributory eligibility for long-term contributors applying for Canada Pension Plan Disability benefits as part of Bill C-36, and planning for its potential implementation.
- Start Phase I of a comprehensive evaluation of the Canada Pension Plan Disability Program, including a review of existing literature and data, a methodology plan and key informant interviews.
- Place Canada Pension Plan Disability administrative data into Statistics Canada's Research Data Centres for use by academic researchers to build the knowledge base relating to Canada Pension Plan Disability.
- Improve awareness, coherence, and horizontal management of disability policies and programs within HRSDC and across the Government of Canada.

**Plan: Support not-for-profit community sector efforts to innovate, strengthen networks of collaboration, develop capacity and share good practices to contribute to community well-being.**

- Make strategic investments through the Social Development Partnerships Program to improve social outcomes for children, families, people with disabilities and other vulnerable populations consistent with the social priorities of the Government. Develop options and engage in activities to support the renewal of the program whose terms and conditions expire in March 2008.
- Foster entrepreneurship and innovation within the community not-for-profit sector to achieve better socio-economic outcomes for individuals and promote sectoral self-sufficiency.
- Increase the participation of seniors through projects funded through the New Horizons for Seniors Program.
- Select and engage new communities to participate in the Understanding the Early Years initiative.
- Support a government dialogue on understanding "place-based" policy approaches and how federal instruments affect communities as they address their complex social and economic problems.
- Invest in national francophone non-governmental organizations to promote French language early childhood development programs in official language minority communities.

## Children and Families

Plan: **Provide support and choices for families, through Canada's Universal Child Care Plan and other existing initiatives, to help ensure their children have the best possible start in life.**

- Ensure successful implementation of Canada's Universal Child Care Plan, including:
  - Administration of the Universal Child Care Benefit for all children under six, in partnership with Canada Revenue Agency; and
  - Implement a new Child Care Spaces Initiative to support the creation of child care spaces.
- Continue implementation of the 2000 Federal/Provincial/Territorial Early Childhood Development Agreement and the 2003 Federal/Provincial/Territorial Multilateral Framework on Early Learning and Child Care.
- Continue to work with provincial and territorial governments on the National Child Benefit Initiative.
- Contribute to the development and implementation of a Working Income Tax Benefit for low and modest-income Canadians and their families.

## Housing and Homelessness

Plan: **Implement the new Homelessness Partnering Strategy.**

- Allocate program funding based on approved community plans/projects, and update program guidelines and tools to implement the new Homelessness Partnering Strategy that will ensure continuity of services to homeless people.
- Focus on achieving tangible results for homeless persons through a housing-first approach.

Plan: **Develop partnerships to better align investments.**

- Develop bilateral arrangements with provinces and territories to align federal capital investments with provincial/territorial investments in social services.
- Shape meaningful public-private partnerships in the context of addressing homelessness challenges.

Plan: **Strengthen horizontal links between housing and homelessness and other policy areas.**

- Improve coordination and reporting of horizontal links with federal partners.
- Develop pilot projects to test innovative and collaborative approaches to preventing and reducing homelessness.

# Logic Model • Social Investment, Children and Families, Housing and Homelessness

## Strategic Outcome

Enhanced income security, access to opportunities and well-being for individuals, families and communities

### Program Activity

	Social Investment	Children and Families	Housing and Homelessness
2007 – 2008 Plans	<ul style="list-style-type: none"> <li>• Raise awareness of seniors' issues and improve the retirement income system</li> <li>• Support full participation of persons with disability in the labour market and society</li> <li>• Support non-profit community sector efforts to innovate, strengthen networks of collaboration, develop capacity and share good practices to contribute to community well-being</li> </ul>	<ul style="list-style-type: none"> <li>• Provide support and choices for families, through Canada's Universal Child Care Plan and other existing initiatives, to help ensure their children have the best possible start in life</li> </ul>	<ul style="list-style-type: none"> <li>• Implement the new Homelessness Partnering Strategy</li> <li>• Develop partnerships to better align investments</li> <li>• Strengthen horizontal links between housing and homelessness and other policy areas</li> </ul>
Program Activity Expected Results	<ul style="list-style-type: none"> <li>• Enhanced income security and social inclusion, increased opportunities and participation of Canadians (in particular for seniors, people with disabilities and communities), through our own initiatives and through working with all of our partners</li> </ul>	<ul style="list-style-type: none"> <li>• Support low income families with children</li> <li>• Provide families with a choice in child care</li> </ul>	<ul style="list-style-type: none"> <li>• Contribution to the reduction and prevention of homelessness</li> </ul>
Program Indicators	<ul style="list-style-type: none"> <li>• Number and percentage of clients with enhanced employability</li> <li>• Number of new community-based social development projects or initiatives that have been supported to promote the participation of children and families, persons with disabilities or other vulnerable populations.</li> <li>• Number of persons participating in new horizons for seniors community projects</li> </ul>	<ul style="list-style-type: none"> <li>• Percentage of families who are receiving the Universal Child Care Benefit for their children under age 6</li> </ul>	<ul style="list-style-type: none"> <li>• Amount invested in communities by external partners (not-for-profit groups, private sector organizations and other government departments) for every dollar invested by the Homelessness Partnership Initiative.</li> <li>• Percentage of all Homelessness Partnering Strategy investments targeted to long-term stable housing and related services.</li> </ul>
Programs	<ul style="list-style-type: none"> <li>• Old Age Security Program</li> <li>• Canada Pension Plan</li> <li>• Canada Pension Plan – Disability</li> <li>• Opportunities Fund for Persons with Disabilities</li> <li>• Labour Market Agreements for Persons with Disabilities</li> <li>• Social Development Partnership Program</li> <li>• New Horizons for Seniors Program</li> <li>• Understanding the Early Years</li> <li>• Official Language Minority Communities</li> <li>• Non-Profit and Voluntary Sector</li> <li>• Inter-country Adoption</li> </ul>	<ul style="list-style-type: none"> <li>• Canada's Universal Childcare Plan</li> <li>• Universal Childcare Benefit</li> <li>• Child Care Spaces Initiative</li> <li>• Multilateral Framework for Early Learning and Child Care</li> <li>• Early Childhood Development Agreement</li> <li>• National Child Benefit</li> </ul>	<ul style="list-style-type: none"> <li>• Homelessness Partnership Initiative</li> <li>• Homelessness Accountability Network</li> <li>• Surplus Federal Real Property for Homelessness Initiative</li> </ul>
	Planned Spending: <b>\$59,971.1M</b> / FTE: <b>1,009</b>	Planned Spending: <b>\$2,481.2M</b> / FTE: <b>163</b>	Planned Spending: <b>\$144.5M</b> / FTE: <b>319</b>

## Programs

### Social Investment

The Social Investment program activity provides Canadians with pensions and benefits for retirement, death, and disability through the *Old Age Security Act* and the Canada Pension Plan. It also includes social investment programs, policies, and grants and contributions designed to ensure that children, families, seniors, communities, and people with disabilities are provided with knowledge, information, and opportunities to move forward with their own solutions to social and economic challenges.

The operating expenditures are funded from the Consolidated Revenue Fund and the Canada Pension Plan Account.

### Children and Families

The Children and Families program activity provides support to families to help ensure all children have the best possible start in life; that parents have choice in childcare, to ensure the needs of those who provide care to loved ones are taken into account and that families' economic security is sustained.

The Children and Families activity undertakes specific initiatives supported by multilateral agreements between the Federal Government and Provinces and Territories through programs such as the National Child Benefit, the Multilateral Framework on Early Learning and Child Care and Canada's Universal Child Care Plan.

The operating expenditures are funded from the Consolidated Revenue Fund.

### Housing and Homelessness

Provides programs and services that assist communities in helping homeless individuals and families, as well as those at risk of homelessness, move towards self-sufficiency, thereby contributing to society and the economy. This is accomplished through partnerships with all levels of government, the voluntary and private sectors, foundations, faith-based communities and unions.

The activity accomplishes its objectives through the Homelessness Partnering Strategy, a class contribution and class grant program. The four class contribution programs are: Homelessness Partnership Initiative – Designated Communities, Homelessness Partnership Initiative – Outreach Communities, Homelessness Partnership Initiative – Aboriginal Communities, and Homelessness Partnership Initiative – Federal Horizontal Pilot Projects. The Homelessness Knowledge Development Program is a class contribution and class grant program that addresses the gaps and priorities in knowledge around issues of homelessness in Canada. The Surplus Federal Real Property for Homelessness Initiative, whose funds are administered through Public Works and Government Services Canada, provides surplus federal properties to communities across Canada to address their local homelessness-related needs.

The operating expenditures are funded from the Consolidated Revenue Fund.

[www.homelessness.gc.ca/home/index\\_e.asp](http://www.homelessness.gc.ca/home/index_e.asp)

For more details relating to these programs please see Section IV – Other Items of Interest.

## Financial Tables

### Financial and Human Resources

	Planned Spending		
	2007–2008	2008–2009	2009–2010
<b>Financial Resources (in millions of dollars)</b>			
Social Investment			
Gross Operating Expenditures	138.3	133.6	130.9
Voted Grants and Contributions	294.9	290.0	288.7
Statutory Grants and Contributions			
<i>Old Age Security</i>	24,093.0	25,168.0	26,347.0
<i>Guaranteed Income Supplement</i>	7,413.0	7,685.0	7,959.0
<i>Allowances</i>	553.0	580.0	608.0
<b>Total Statutory Grants and Contributions</b>	<b>32,059.0</b>	<b>33,433.0</b>	<b>34,914.0</b>
<b>Total Gross Expenditures</b>	<b>32,492.2</b>	<b>33,856.6</b>	<b>35,333.6</b>
Canada Pension Plan Benefits	27,478.9	28,881.9	30,381.0
<b>Sub-Total Social Investment</b>	<b>59,971.1</b>	<b>62,738.5</b>	<b>65,714.6</b>
Children and Families			
Gross Operating Expenditures	21.2	21.5	21.8
Statutory Grants and Contributions			
<i>Universal Child Care Benefit</i>	2,460.0	2,470.0	2,480.0
<b>Sub-Total Children and Families</b>	<b>2,481.2</b>	<b>2,491.5</b>	<b>2,501.8</b>
Housing and Homelessness			
Gross Operating Expenditures	35.2	39.0	0.7
Voted Grants and Contributions	109.3	109.3	–
<b>Sub-Total Housing and Homelessness<sup>a</sup></b>	<b>144.5</b>	<b>148.3</b>	<b>0.7<sup>a</sup></b>
<b>Total</b>	<b>62,596.8</b>	<b>65,378.3</b>	<b>68,217.1</b>
<b>Human Resources</b>			
Social Investment	1,009	991	1,001
Children and Families	163	164	165
Housing and Homelessness	319	327	10
<b>Total – Full Time Equivalents</b>	<b>1,491</b>	<b>1,482</b>	<b>1,176</b>

<sup>a</sup> A new program, the Homelessness Partnering Strategy, was announced in December 2006 and is funded for two years (2007–2008 and 2008–2009)



**Financial Tables** (continued)

**Details by Programs and Services**

	Planned Spending		
	2007–2008	2008–2009	2009–2010
<b>Financial Resources (in millions of dollars)</b>			
<b>Social Investment</b>			
Seniors and Pensions	55,933.4	58,558.2	61,371.3
Disability Programs	273.7	273.8	272.1
Canada Pension Plan–Disability	3,667.0	3,819.2	3,985.9
Community Development and Partnerships	54.0	45.1	41.8
Allocated Corporate Services <sup>a</sup>	43.0	42.2	43.5
<b>Sub-Total</b>	<b>59,971.1</b>	<b>62,738.5</b>	<b>65,714.6</b>
<b>Children and Families</b>			
Child Care	2,460.6	2,470.6	2,480.4
Multilateral Framework for Early Learning and Child Care	-	-	-
Early Childhood Development Agreements	2.8	2.8	2.8
National Child Benefit	2.4	2.4	2.4
Other <sup>b</sup>	8.8	8.8	8.8
Allocated Corporate Services <sup>a</sup>	6.6	6.9	7.4
<b>Sub-Total</b>	<b>2,481.2</b>	<b>2,491.5</b>	<b>2,501.8</b>
<b>Housing and Homelessness</b>			
Homelessness Partnership Initiative	128.0	129.7	0.7
Homelessness Accountability Network	1.8	1.9	-
Surplus Federal Real Property for Homelessness Initiative	3.7	3.7	-
Allocated Corporate Services <sup>a</sup>	11.0	13.0	-
<b>Sub-Total<sup>c</sup></b>	<b>144.5</b>	<b>148.3</b>	<b>0.7</b>
<b>Total</b>	<b>62,596.8</b>	<b>65,378.3</b>	<b>68,217.1</b>
<b>Human Resources</b>			
Social Investment	1,009	991	1,001
Children and Families	163	164	165
Housing and Homelessness	319	327	10
<b>Total – Full Time Equivalents</b>	<b>1,491</b>	<b>1,482</b>	<b>1,176</b>

<sup>a</sup> Corporate Services resources related to the Minister's Office, the Deputy Minister's Office, the Comptroller's Office and the Shared Services have been prorated to each program activity.

<sup>b</sup> Other category is for the resources which are not directly related to the sub-activities identified.

<sup>c</sup> A new program, the Homelessness Partnering Strategy, was announced in December 2006 and is funded for two years (2007–2008 and 2008–2009).





**Achieve Better Outcomes  
for Canadians Through  
Service Excellence**

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# E. Service Canada

**S**ervice Canada's mandate is to work with federal departments, other levels of government, and community-based partners to transform government service delivery for Canadians across all service delivery channels – telephone, Internet, and in-person. Service Canada's five objectives are as follows:

- Deliver seamless, citizen-centred service by providing integrated, one-stop service based on citizen needs;
- Enhance the integrity of programs by building trust and confidence in programs and achieving significant savings in program payments;
- Work as a collaborative, networked government by building whole-of-government approaches to service that enable information sharing, integrated service delivery and strategic investment for the benefit of Canadians;
- Demonstrate accountable and responsible government by delivering results for Canadians and government, savings for taxpayers and transparency in reporting; and
- Build a culture of service excellence by supporting management and staff, encouraging innovation, and building leadership and capacity to provide citizen-centred service.

In the next three years, Service Canada will focus on the following four key transformative priorities to achieve these objectives:

- Enhance regional and community points of service to bring more services and benefits to more Canadians;
- Improve the management of client information by integrating citizens' information from various government sources and increasing automation;
- In line with the *Federal Accountability Act*, strengthen accountability and transparency through improved program integrity and sound stewardship to demonstrate responsible governance to Parliament and Canadians; and
- Achieve and sustain a culture of service excellence by building management and employee capacities to deliver citizen-centred service, and recognize service excellence.

Service Canada will continue to generate savings through efficiencies and reduced program payment errors and fraud.

*Service matters to Canadians.* The Government of Canada is committed to providing high quality, citizen-centred service that meets the needs and expectations of Canadians.

Launched in September 2005, Service Canada has been in operation for more than a year. As a dedicated service delivery organization, Service Canada makes it easier for Canadians to get the services and benefits they need in one place. In collaboration with its service partners, Service Canada provides one-stop, easy access to government benefits and services across multiple service delivery channels. In building a world-class, integrated call centre network and leading-edge Internet services, Service Canada is providing more personalized and responsive services to Canadians. New approaches to reaching clients in all communities are being implemented to improve citizens' access to the services and benefits they need, and provide them with an excellent service experience.

Service Canada provides Canadians with easy access to more than 60 government programs and services, including the Employment Insurance program, Canada Pension Plan and Old Age Security benefits, Passport Receiving Agent Services, pleasure craft licenses, and many on-line tools and applications such as Career Navigator and Appli-Web.

Service Canada has more than 19,000 employees dedicated to serving Canadians; provides 493 points of service throughout the country; manages the national 1 800 O-Canada telephone information line; and offers a wide range of on-line services through [servicecanada.gc.ca](http://servicecanada.gc.ca)

Service Canada supports the Government's overall direction by:

- **Focusing and building on what we do best:** Providing one-stop access to Canadians by beginning to expand service offerings and service enhancements for four segment groups: families, seniors, youth, and people with disabilities;

### Did You Know?

Each year, Service Canada serves more than 32 million Canadians by:

- Paying \$70 billion (\$190M a day) in benefits to Canadians
- Processing more than 5 million applications for government benefits
- Handling 4.8 million on-line transactions
- Handling 56 million calls
- Mailing 20 million letters

- **Creating new opportunities and choices for Canadians:**

Supporting government priorities through effective service strategies that improve service across our delivery channels in areas such as the Apprenticeship Incentive Grant, the Universal Child Care Benefit, and Common Experience Payments;

- **Investing in sustainable growth:**

Investing in the design of an ideal one-stop service by modernizing infrastructure to improve access and efficiency, produce tangible improvements, and generate savings; and

- **Freeing businesses to grow and succeed:**

Investing in processing automation, electronic filing of Records of Employment, and other initiatives to reduce the paper burden related to Employment Insurance and the Canada Pension Plan.

To demonstrate its commitment to accountable and responsive government, Service Canada is building on its Service Charter, which outlines what Canadians can expect and how they can provide feedback on the quality of service they receive; and its Service Standards, which describe how these commitments will be met in specific, measurable ways. The organization reports on its progress through its Performance Scorecard and Annual Report. In addition, the Office for Client Satisfaction makes recommendations to Service Canada on how to improve service delivery based on client satisfaction surveys and feedback from Canadians on Service Canada's services and benefits. For 2007–2008, Service Canada's business plan focuses on improving performance relative to our service standards, designing and implementing new service offerings and target enhancements, and initiatives that improve our efficiency and modernize our infrastructure. The table, on the following page, illustrates additional measures that demonstrate our commitment.

Recognizing that its employees are essential to providing Canadians with excellent service, Service Canada is supporting the development and accreditation of knowledgeable, trained and helpful staff through the newly launched Service Canada College and its service excellence curriculum.

For 2007–2008, Service Canada will continue to focus on improving service to Canadians, strengthening transparency and accountability, and fostering service excellence. This focus is directly reflected in its program goals: seamless, citizen-centred service; integrity; accountability; collaborative, networked government; and service excellence.

## Seamless, Citizen-Centred Service

In the past, Canadians had to determine how to access services and benefits across a multitude of programs and departments. Citizen-centred service is about changing how government serves Canadians by putting the citizen at the centre of how government does business, and providing the quality of service that Canadians need and expect.

A citizen focus means integrating services in a way that reduces the burden to find and access programs and services Canadians need. By improving existing delivery channels and increasing our federal presence in regional communities, Service Canada is providing a more relevant and meaningful service delivery choice for Canadians.

Service Canada will continue to improve in five key service areas:

- Service Canada will further integrate and tailor programs and services in a way that is more relevant, comprehensive and intuitive for citizens. Programs and services are being bundled into service offerings designed to meet the needs of eight key citizen segments or "communities" including: families, seniors, youth, people with disabilities, Aboriginal people, official language minority communities, workers and employers, and newcomers to Canada. Service Canada is researching and building strategies that will guide the development of service offerings to these communities.

- Service Canada will shift service and product development priorities to meet the expectations and needs of Canadians, for example, by improving service delivery capacity in areas such as passport applications or increasing access to services such as the Common Experience Payments to former Indian residential schools students.
- Service Canada will focus the expansion of its regional and community service network to areas which were previously underserved, to ensure that over 90% of Canadians have access to government services within 50 kilometres of where they live.
- Service Canada will provide a more consistent service experience to meet the needs of Canadians regardless of their location.
- Service Canada will continue to develop a world-class integrated call centre network that provides telephone-based services to Canadians through a single phone number. This, along with ongoing improvements to Internet and in-person services, will improve our overall reach and service performance for Canadians.

### Did You Know?

- More than 400,000 Canadians called Service Canada about new federal initiatives in 2006
- The new Service Canada Web site gives Canadians one-click access to 90% of the most commonly requested programs and services
- Citizen service agents conduct more than 500,000 client interviews each year

Our research shows that 96% of Canadians support the concept of setting up a one-stop shop for service delivery, as service is the primary means of direct and personal contact between citizens and their governments.

Concurrently, Service Canada will continue to build a service-oriented, professional workforce by:

- Enhancing employee skills through the recently launched Service Canada College;
- Rewarding citizen-centred service through an awards and recognition program;

## Service Canada Additional Measures

### Forecasts

Number of new Service Offerings	10
Canada Pension Plan Applications	680K
Employment Insurance Applications	2.8M
Old Age Security Applications	52.9M <sup>a</sup>
Passport Applications	38K
Pleasure Craft Licences Applications	125K
Social Insurance Number Requests	1.5 Million
Number of employment program clients served	500,000
In-person visits - Assisted clients (personally and Internet)	Actual Volumes to be reported
In person visits - Self-served clients	Actual Volumes to be reported
Internet visits	Actual Volumes to be reported
Job seekers using Job Bank	Actual Volumes to be reported
Telephone calls – specialized calls answered by an agent	Actual Volumes to be reported
Telephone calls - answered in the Interactive voice response system	Actual Volumes to be reported

<sup>a</sup> Includes Guaranteed Income Supplement (GIS) automatic renewals

- Establishing a leadership development program, building leadership capacity, and fostering an environment which allows staff to bring forward innovative ideas to further improve service;
- Putting in place mechanisms to ensure the recruitment of individuals with client service excellence competencies.

Service Canada will continue to report on its progress in meeting the commitments laid out in the Service Charter and Service Standards through a Performance Scorecard and the Service Canada Annual Report. The Office for Client Satisfaction will also provide annual recommendations to Service Canada on areas for improvement in service delivery.

## Integrity

Service Canada issues over \$70 billion in benefits to Canadians each year. Canadians expect these benefits to go to the right person in the right amount for the right purpose. Ensuring integrity in the delivery of government programs and benefits is fundamental and crucial to increasing public trust. Sound methodologies and dependable data are required to measure our achievements and save money for taxpayers.

Service Canada will continue to focus on the following priorities to strengthen integrity:

- Enterprise-wide integrity will be achieved through the implementation of integrated risk and quality management practices, systems and processes to ensure the security and confidentiality of client information. This will involve the further strengthening of the Social Insurance Number processes, the enhancement of the vital events management initiative and the review of Social Insurance Number validation processes in fiscal year 2007–2008. The Social Insurance Registry will also be enhanced by establishing clear and concrete goals for Social Insurance Registry completeness, accuracy and reliability; and measuring and reporting on these goals beginning in fiscal year 2007–2008. Both authentication and quality checks will assure authorized access to service accounts for benefits and services. Service Canada will also focus on expanding its risk analysis capacity by implementing an enterprise-wide risk management framework to improve and measure compliance, accuracy in benefit delivery, and security of personal information.

- Rigorous risk and quality management, coupled with enhanced systems integrity, will provide reliable, accurate and timely information to help Service Canada maximize savings. Efficient and cost-effective delivery of service offerings, coupled with tighter control of benefit payments will optimize savings. New risk management and other quality management approaches will allow us to make further progress in 2007–2008.

Service Canada is also increasingly automating its information systems for payment and service delivery processes in areas such as call centre and vital events management. This will achieve better client information integration and respond to Canadians' expectations for better, faster, more convenient services. By automating services involving Employment Insurance, for example, processing times and errors will be reduced.

## Collaborative, Networked Government Service

As the largest government service delivery organization in Canada, Service Canada is a key resource for Canadians. By working hand-in-hand with provinces, territories and local government, Service Canada is making it easier for Canadians to obtain government and community services at the same time. Over the next year, Service Canada will continue to expand this integrated network and improve Canadians' access to all the key services they need in the communities where they live. Service coverage will be expanded by co-locating with more municipalities, provinces and territories as integrated service delivery partners.

As manager of the 1 800 O-Canada government telephone service, and both the [servicecanada.gc.ca](http://servicecanada.gc.ca) and [Canada.gc.ca](http://Canada.gc.ca) Internet sites, Service Canada is ideally positioned to deliver Government of Canada services and benefits to all Canadians.

Service Canada has set out the following plans to further invest in service delivery by integrating client information and ensuring citizens can access this world-class collaborative network:

- Establish a "one client view" when designing service delivery. Providing service to Canadians requires that information be viewed from a citizen-centred perspective. The one-client view strategy (to be developed over the next few years) will

transform the way Service Canada approaches service delivery by removing current program delivery silos. Service Canada will build expertise in the collection, use and integration of information to meet the needs of Canadians. Consistent with privacy laws and practices, Service Canada's strategy is to ensure that information is only collected once, and Canadians can easily find programs and services in one place. Service to Canadians will be transformed by significantly reducing the administrative burden and making services more efficient.

- Collect information from the originating source, where possible. Through collaboration with

provincial vital statistics registries, Service Canada will collect information on births, deaths and marriages directly from these sources. Service Canada will continue negotiations and build upon new agreements with Ontario and British Columbia. It will also extend the agreement with Citizenship and Immigration Canada to collect information on new Canadians when they first arrive in Canada.

Provinces, territories and partners share our goal to better serve Canadians and improve their satisfaction level with requesting and receiving government services.

## Plans

### Seamless, Citizen-Centred Service

#### Plan: **Transforming service to Canadians.**

- Expanding Service Canada regional and community presence.
- Integrating call centres.
- Implementing Service Strategies for Client Communities.
- Undertaking business and product development.

#### Plan: **Achieving and sustaining a service excellence culture.**

- Building, achieving and sustaining service excellence.

#### Plan: **Strengthening accountability and transparency.**

- Reporting on our commitments to Canadians and to Parliament.

## Integrity

#### Plan: **Strengthening accountability and transparency.**

- Establishing enterprise-wide integrity.
- Generating program and operational savings.

#### Plan: **Achieving client information integration.**

- Achieving processing automation.

## Collaborative, Networked Government Service

#### Plan: **Transforming service to Canadians.**

- Building the capacity of Service Canada as the Government of Canada network of choice.
- Building partnership strategies.

#### Plan: **Achieving client information integration**

- Establishing a "one client view" for citizen-centred service.
- Transforming vital events management.



# Programs

## Seamless, Citizen-Centred Service

The Citizen-Centred Service program activity develops service strategies, policies and research and delivers one-stop, easy-to-access, personalized services across integrated delivery channels – phone, Internet, and in-person - while ensuring needs, expectations, and priorities of citizens and communities are at the centre of the design and delivery of services and that the information gathered through service delivery about citizen and community needs informs the policy, program and service delivery development process.

The operating expenditures are funded from the Consolidated Revenue Fund, the Employment Insurance Account and the Canada Pension Plan Account.

## Integrity

The Integrity program activity enhances and strengthens the integrity of programs to ensure that the right person or organization receives the right service or benefit at the right time, and for the intended purpose. It implements the Social Insurance Number and the Social Insurance Registry as the foundation for a safe and secure common identifier, develops integrity risk management strategies that will address operational risk and lead to the reduction of payment errors, and processes grants and contributions, individual benefits and mail service requests.

The operating expenditures are funded from the Consolidated Revenue Fund, the Employment Insurance Account and the Canada Pension Plan Account.

## Collaborative, Networked Government Service

The Collaborative, Networked Government Service program activity implements a government-wide, collaborative, networked business approach to delivering citizen-centred service to Canadians by working with other federal departments and agencies, other levels of government, and community partners, sharing information, adopting interoperable systems and infrastructures, providing secure management of citizen's personal information and respect of their privacy, and increasing the accuracy of the Social Insurance Registry through more timely and complete updates with vital statistics organizations.

The operating expenditures are funded from the Consolidated Revenue Fund and the Employment Insurance Account.

For more details relating to these programs please see Section IV – Other Items of Interest.

**Strategic Outcome**

Achieve better outcomes for Canadians through service excellence

Service Indicators

**Access / Choice**

- Call
  - Specialized calls answered by an agent within 180 seconds- information and transaction
  - General calls answered by an agent within 18 seconds (1 800 O-Canada)
  - Access to automated telephone information services
- Click
  - 24/7 availability of Internet - information and transaction
  - Number of forms online in formats accessible for people with disabilities
- Visit
  - Percentage of Canadians with access within 50 kms of where they live
  - Number of Service Canada Centres with extended hours of service
  - Number of established points of service for Official Language Minority Community Groups
  - Languages offered other than English and French

**Timeliness**

- Notifications sent within seven days of receipt of applications
- CPP retirement benefit payment or non-payment notification issued within first month of entitlement
- EI benefit payment or non-payment notification issued within 28 days of filing
- EI Umpire Appeals sent to the Office of the Umpire within 60 days
- EI Board of Referee Appeals scheduled within 30 days
- OAS basic benefit payment or non-payment notification issued within first month of entitlement
- Pleasure craft licenses issued in a visit
- SINs issued in a visit

**Quality**

- Accuracy rate of payments (includes EI and OAS) (CPP under development)

**Satisfaction**

- Client satisfaction in relation to services provided

Expected Results

Citizens are connected to whole-of-government programs and services through easy to access multiple channels that meet their individual needs.

Benefits are delivered in the most cost-effective manner to the right citizen, at the right time, and for the purpose they were intended.

Programs and services are synchronized within the federal government and across jurisdictions to enhance efficiency and ease of accessibility for citizens.

**Program Activity**

**Seamless, Citizen-centred Service**

**Integrity**

**Collaborative, Networked Government Service**

Priorities and Associated Plans

- Transforming Service to Canadians**
- Implementing our Service Strategies for Client Communities
  - Undertaking business and product development
  - Expanding our regional and community presence
  - Integrating call centres
- Strengthening Accountability and Transparency**
- Reporting on our commitments to Canadians and to Parliament
- Achieving and Sustaining a Service Excellence Culture**
- Building for service excellence
  - Achieving service excellence
  - Sustaining service and management excellence

- Strengthening Accountability and Transparency**
- Establishing enterprise wide integrity
  - Generating program and operational savings
- Achieving Client Information Integration**
- Achieving processing automation

- Transforming Service to Canadians**
- Building capacity as the Government of Canada network of choice
  - Building partnership strategies
- Achieving Client Information Integration**
- Establishing a "One Client View" for citizen-centred service
  - Transforming vital events management

Corporate Focus: **Strengthening Management and Financial Accountability**

**Sustainable Development Commitments**

By taking initiative to purchase energy efficient equipment and lighting, hybrid and alternative fuel vehicles, using recycled materials where feasible, and reducing energy and paper use through service process automation, Service Canada will have significant cumulative effects on reducing environmental impacts.

**Shared Services**

Service Canada is responsible for the provision of Human Resources, Information Technology, Administrative and Financial services to HRSDC as a shared service provider, bringing together common support functions enhancing the efficiency and cost-effectiveness of these services.

## Financial Tables

### Financial and Human Resources

	Planned Spending		
	2007–2008	2008–2009	2009–2010
<b>Financial Resources (in millions of dollars)</b>			
Seamless Citizen-Centred Service			
Gross Operating Expenditures	2,479.6	546.2	538.8
<b>Sub-Total Seamless Citizen-Centred Service<sup>c</sup></b>	<b>2,479.6</b>	<b>546.2</b>	<b>538.8</b>
Integrity			
Gross Operating Expenditures	1,029.6	1,026.6	1,025.1
<b>Sub-Total Integrity</b>	<b>1,029.6</b>	<b>1,026.6</b>	<b>1,025.1</b>
Collaborative, Networked Government Service			
Gross Operating Expenditures	228.4	226.4	226.1
<b>Sub-Total Collaborative, Networked Government Service</b>	<b>228.4</b>	<b>226.4</b>	<b>226.1</b>
<b>Total<sup>b</sup></b>	<b>3,737.6</b>	<b>1,799.2</b>	<b>1,790.0</b>
<b>Human Resources (Full Time Equivalents)</b>			
Seamless Citizen-Centred Service	7,045	6,827	6,778
Integrity	11,302	11,287	11,261
Collaborative, Networked Government Service	757	739	736
<b>Total – Full Time Equivalents</b>	<b>19,104</b>	<b>18,853</b>	<b>18,775</b>

### Details by Programs and Services

	Planned Spending		
	2007–2008	2008–2009	2009–2010
<b>Financial Resources (in millions of dollars)</b>			
Seamless, Citizen-Centred Service			
Service Strategies and Policy	5.3	5.4	5.2
Client Service Offerings	22.6	23.0	22.5
Service Delivery	2,254.4	332.7	327.1
Allocated Corporate Services <sup>a</sup>	197.3	185.1	184.0
<b>Sub-Total<sup>c</sup></b>	<b>2,479.6</b>	<b>546.2</b>	<b>538.8</b>
Integrity			
Identity Management	10.9	10.7	10.7
Risk Management	105.0	104.6	104.6
Processing	555.9	560.6	559.6
Allocated Corporate Services <sup>a</sup>	357.8	350.7	350.2
<b>Sub-Total</b>	<b>1,029.6</b>	<b>1,026.6</b>	<b>1,025.1</b>

## Details by Programs and Services (continued)

	Planned Spending		
	2007–2008	2008–2009	2009–2010
Collaborative, Networked Government Service			
Partnerships	148.1	148.1	148.1
Information and Knowledge Management	1.0	1.0	1.0
Allocated Corporate Services <sup>a</sup>	79.3	77.3	77.0
<b>Sub-Total</b>	<b>228.4</b>	<b>226.4</b>	<b>226.1</b>
<b>Total<sup>b</sup></b>	<b>3,737.6</b>	<b>1,799.2</b>	<b>1,790.0</b>
<b>Human Resources (Full Time Equivalents)</b>			
Seamless Citizen-Centred Service	7,045	6,827	6,778
Integrity	11,302	11,287	11,261
Collaborative, Networked Government Service	757	739	736
<b>Total – Full Time Equivalents</b>	<b>19,104</b>	<b>18,853</b>	<b>18,775</b>

<sup>a</sup> Corporate Services resources related to the Deputy Head's Office, the Chief Financial Officer's Office and the Shared Services have been prorated to each program activity

<sup>b</sup> Planned spending for the Public Access Programs Sector (\$14.2 million excluding Employee Benefit Plan and Accommodations) is reported under Government Information Services (PWGSC) for all years pending transfer of the funding. Control and supervision of these programs transferred to HRSD by Order-in-Council September 12, 2005.

<sup>c</sup> Common Experience Payments to former Indian residential schools students represent \$1.9 billion for 2007–2008 (pending approval of the Settlement Agreement).

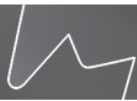


## **Section III**

### **Supplementary Information**

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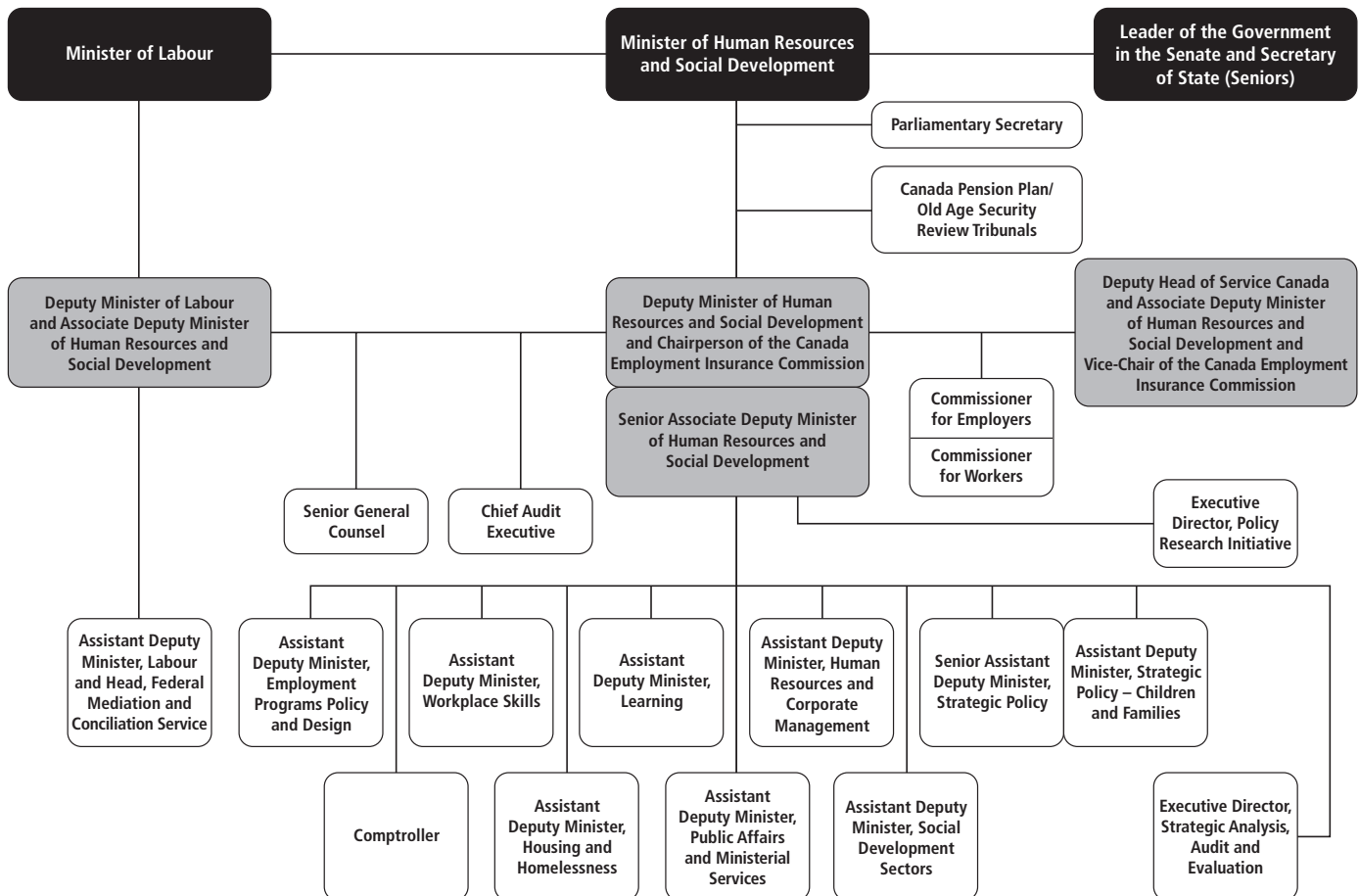


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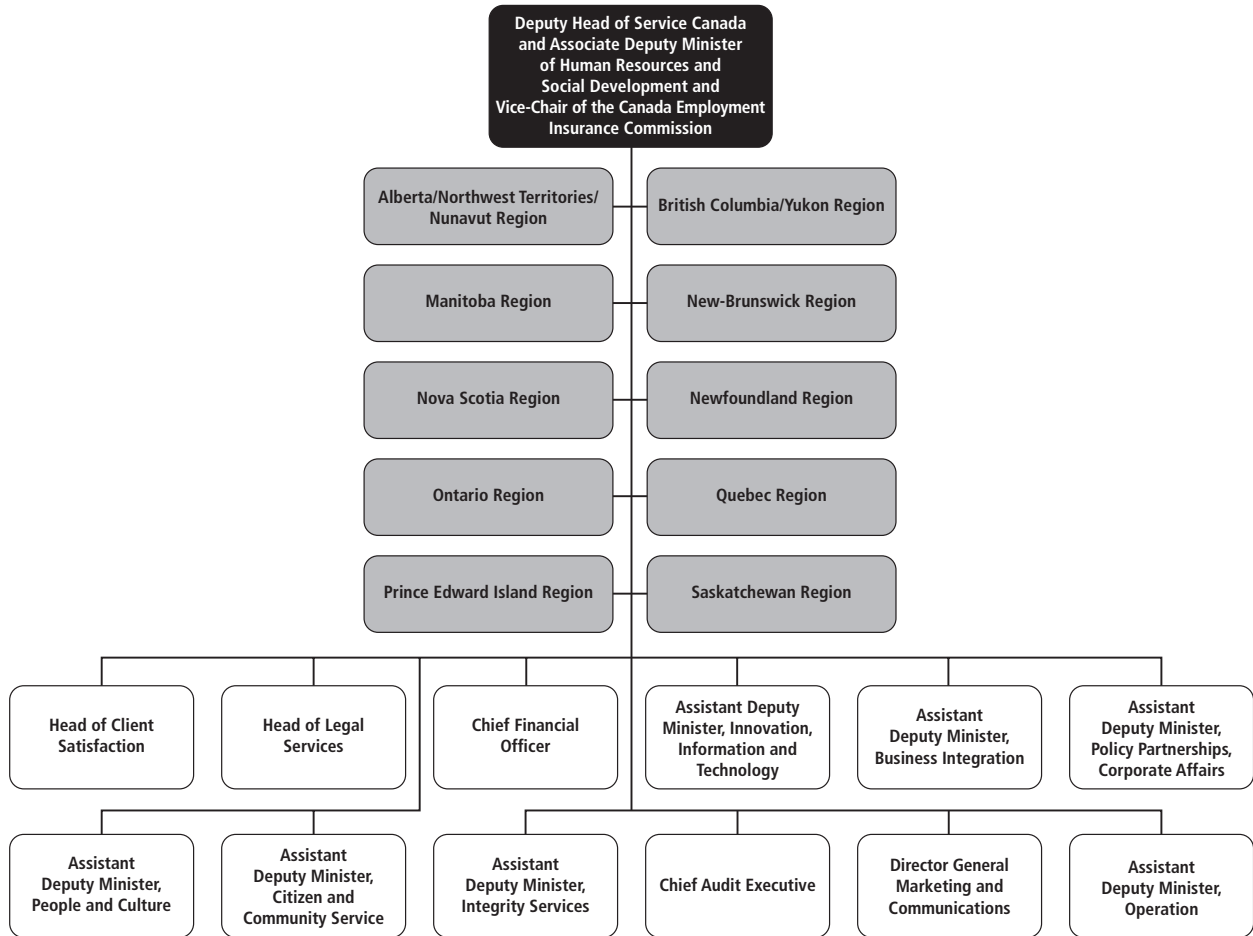
# Organizational Information

## Human Resources and Social Development Canada





# HRSDC – Service Canada



# Departmental Links to Government of Canada Outcome Areas

Strategic outcome	Program activity	Link to Government of Canada Outcome area
Policies and Programs that meet the Human Capital and Social Development needs of Canadians	Policy , Research and Communications	<ul style="list-style-type: none"> <li>• Sustainable economic growth</li> <li>• Income security and employment for Canadians</li> <li>• Inclusive society that promotes linguistic duality and diversity</li> <li>• An innovative and knowledge-based economy</li> </ul>
Enhanced Canadian productivity and participation through efficient and effective labour markets, competitive workplaces and access to learning	Labour Market	<ul style="list-style-type: none"> <li>• Income security and employment for Canadians</li> <li>• Inclusive society that promotes linguistic duality and diversity</li> </ul>
	Workplace Skills	<ul style="list-style-type: none"> <li>• An innovative and knowledge-based economy</li> </ul>
	Learning	<ul style="list-style-type: none"> <li>• An innovative and knowledge-based economy</li> </ul>
Safe, healthy fair, stable, cooperative, productive workplaces and effective international labour standards	Labour	<ul style="list-style-type: none"> <li>• A fair and secure marketplace</li> <li>• Healthy Canadians with access to quality healthcare</li> <li>• Safe and secure communities</li> </ul>
Enhanced income security, access to opportunities and well-being for individuals, families and communities	Social Investment	<ul style="list-style-type: none"> <li>• Income security and employment for Canadians</li> <li>• Inclusive society that promotes linguistic duality and diversity</li> <li>• A prosperous global economy that benefits Canadians and the world</li> </ul>
	Children and Families	<ul style="list-style-type: none"> <li>• An innovative and knowledge-based economy</li> </ul>
	Housing and Homelessness	<ul style="list-style-type: none"> <li>• Sustainable economic growth</li> <li>• Inclusive society that promotes linguistic duality and diversity</li> </ul>
Achieve better outcomes for Canadians through service excellence	Seamless, Citizen-Centered Service	<ul style="list-style-type: none"> <li>• A Canada where service delivery is focussed on citizen needs</li> </ul>
	Integrity	<ul style="list-style-type: none"> <li>• A Canada where service delivery is focussed on citizen needs</li> </ul>
	Collaborative, Networked Government Service	<ul style="list-style-type: none"> <li>• A Canada where service delivery is focussed on citizen needs</li> </ul>

	Budgetary				Non-Budgetary			Adjustments (Planned Spending not in Main Estimates)	Total Planned Spending <sup>a</sup>
	Operating	Grants	Contributions and Other Transfer Payments	Gross Budgetary Expenditures	Less: Responsible Revenue	Net Budgetary Expenditures	Canada Student Loans		
<b>Strategic Outcome: Policies and programs that meet the human capital and social development needs of Canadians</b>									
Policy, Research and Communication	196.6	-	-	196.6	137.7	58.9	-	58.9	59.8
<b>Strategic Outcome: Enhanced Canadian productivity and participation through efficient and inclusive labour markets, competitive workplaces and access to learning</b>									
Labour Market	38.7	0.5	538.9	578.1	31.9	546.2	-	546.2	546.2
Workplace Skills	51.3	91.0	66.7	209.0	34.6	174.4	-	174.4	179.0
Learning	162.3	723.1	358.8	1,244.2	22.1	1,222.1	855.7	2,077.8	2,077.8
<b>Sub-total</b>	<b>252.3</b>	<b>814.6</b>	<b>964.4</b>	<b>2,031.3</b>	<b>88.6</b>	<b>1,942.7</b>	<b>855.7</b>	<b>2,798.4</b>	<b>2,803.0</b>
<b>Strategic Outcome: Safe, healthy, fair, stable, cooperative, productive workplaces and effective international labour standards</b>									
Labour	235.4	2.0	1.9	239.3	80.0	159.3	-	159.3	191.5
<b>Strategic Outcome: Enhanced income security, access to opportunities and well being for individuals, families and communities</b>									
Social Investment	138.3	32,092.8	261.2	32,492.3	52.0	32,440.3	-	32,440.3	32,440.3
Children and Families	21.2	2,460.0	-	2,481.2	-	2,481.2	-	2,481.2	2,481.2
Housing and Homelessness	35.2	0.9	108.4	144.5	-	144.5	-	144.5	144.5
<b>Sub-total</b>	<b>194.7</b>	<b>34,553.7</b>	<b>369.6</b>	<b>35,118.0</b>	<b>52.0</b>	<b>35,066.0</b>	<b>-</b>	<b>35,066.0</b>	<b>35,066.0</b>
<b>Strategic Outcome: Achieve better outcomes for Canadians through service excellence (Service Canada)</b>									
Seamless, Citizen- Centred Service	2,475.0	-	-	2,475.0	293.8	2,181.2	-	2,181.2	2,185.8
Integrity	1,028.8	-	-	1,028.8	841.7	187.1	-	187.1	187.9
Collaborative, Networked Government Services	228.2	-	-	228.2	218.1	10.1	-	10.1	10.3
<b>Sub-total</b>	<b>3,732.0</b>	<b>-</b>	<b>-</b>	<b>3,732.0</b>	<b>1,353.6</b>	<b>2,378.4</b>	<b>-</b>	<b>2,378.4</b>	<b>2,384.0</b>
<b>Total</b>	<b>4,611.0</b>	<b>35,370.3</b>	<b>1,335.9</b>	<b>41,317.2</b>	<b>1,711.9</b>	<b>39,605.3</b>	<b>855.7</b>	<b>40,461.0</b>	<b>40,504.3</b>

<sup>a</sup> Specified Purpose Accounts planned spending is excluded from the total.



# Financial Tables

**Table 1** Planned Spending and Full-Time Equivalents

Program Activities (millions of dollars)	Forecast <sup>a</sup>	Planned Spending		
	2006–2007	2007–2008	2008–2009	2009–2010
<b>Budgetary Main Estimates</b>				
Policy, Research and Communication	212.4	<b>196.6</b>	198.6	200.5
Labour Market	600.0	<b>578.1</b>	518.6	473.7
Workplace Skills	130.7	<b>209.0</b>	202.4	190.0
Learning	1,224.6	<b>1,244.2</b>	1,236.1	1,261.0
Labour	211.7	<b>239.3</b>	224.2	226.6
Social Investment	31,005.6	<b>32,492.3</b>	33,881.5	36,807.6
Children and Families	672.9	<b>2,481.2</b>	2,492.0	2,501.8
Housing and Homelessness <sup>b</sup>	165.2	<b>144.5</b>	3.3	3.3
Seamless, Citizen-Centred Service	597.3	<b>2,475.0</b>	542.6	538.6
Integrity	1,104.1	<b>1,028.8</b>	1,026.3	1,024.8
Collaborative, Networked Government Service	179.7	<b>228.2</b>	226.3	226.0
<b>Gross Budgetary Main Estimates</b>	36,104.2	<b>41,317.2</b>	40,551.9	43,453.9
Less: Respendable Revenue	1,727.0	<b>1,711.9</b>	1,707.0	1,706.4
<b>Net Budgetary</b>	<b>34,377.2</b>	<b>39,605.3</b>	<b>38,844.9</b>	<b>41,747.5</b>
<b>Non-Budgetary</b>				
Loans disbursed under <i>Canada Student Financial Assistance Act</i>	981.5	<b>855.7</b>	749.3	607.0
<b>Adjustments:</b>				
<b>Supplementary Estimates (A)</b>				
<b>Voted Items</b>				
National Homelessness Initiative – Reprofile	37.2	-	-	-
Operating budget carry-forward	25.2	-	-	-
Targeted Initiative for Older Worker and Expert Panel	10.7	-	-	-
Labour Market Development Agreement with Ontario – Work Force Adjustment	8.5	-	-	-
Cree Regional Authority	7.0	-	-	-
Policy Research Initiative – Transfer from Privy Council Office	3.1	-	-	-
Universal Child Care Benefit	2.0	-	-	-
Labour Program Pressures	1.8	-	-	-
Canada Student Loan – Write off of debt due to the Crown	0.3	-	-	-
Energy Cost Benefit payments	0.3	-	-	-
Transfer from Treasury Board Secretariat – Funds for the Ontario Federal Council	0.2	-	-	-

**Table 1** Planned Spending and Full-Time Equivalents (*continued*)

Program Activities (millions of dollars)	Forecast <sup>a</sup>	Planned Spending		
	2006–2007	2007–2008	2008–2009	2009–2010
Interdepartmental Partnership with the Official Language Communities – Transfer from Canadian Heritage	0.2	-	-	-
Spending Restraint	(29.8)	-	-	-
Transfer to Canada Revenue Agency – Funding related to National Collections Services & Collection Litigation and Advisory Services	(18.2)	-	-	-
Expenditure Review – Procurement Savings	(4.8)	-	-	-
Canada Student Loan Program – New Recovery Initiative – Collection Costs	(4.8)	-	-	-
National Early Learning – technical adjustment for early learning and child care programs	(3.6)	-	-	-
Government Advertising Plan	(2.5)	-	-	-
Reduced cost of the new Ministry – Smaller Cabinet	(1.6)	-	-	-
Transfer to Public Works and Government Services Canada – Federal Regional Councils	(0.2)	-	-	-
Youth Employment Strategy – Transfer to Canadian Heritage for Action Canada	(0.2)	-	-	-
<b>Sub-Total</b>	<b>30.8</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Statutory Items</b>				
Universal Child Care Benefit	1,610.0	-	-	-
Child Care – Payment to Provinces / Territories	650.0	-	-	-
Guaranteed Income Supplement	42.0	-	-	-
Allowance Payments	17.0	-	-	-
Transfer to Canada Revenue Agency – Payments to Private Collection Agencies	(18.5)	-	-	-
Old Age Security	(10.0)	-	-	-
<b>Sub-Total – Statutory Items</b>	<b>2,290.5</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Sub-Total Supplementary Estimates (A)</b>	<b>2,321.3</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Supplementary Estimates (B)</b>				
<b>Voted Items</b>				
Apprenticeship Incentive Grant	32.0	-	-	-
Transfer from the Office of the Indian Residential Schools Resolution Canada – Indian Residential School Resolution Canada – Common Experience Payment	7.7	-	-	-
Spending authorities available within vote	(32.0)	-	-	-
Transfer to Public Works and Government Services – National Accommodation Program funding related to the transfer of National Collection Services and Collection Litigation and Advisory Services	(1.9)	-	-	-

**Table 1** Planned Spending and Full-Time Equivalents (*continued*)

Program Activities (millions of dollars)	Forecast <sup>a</sup>	Planned Spending		
	2006–2007	2007–2008	2008–2009	2009–2010
Transfer to Foreign Affairs and International Trade Canada – To provide support to Health staff located at missions abroad for expenditures related to the Brussels Counsellor position	(0.1)	-	-	-
<b>Sub-total – Voted Items</b>	<b>5.7</b>	-	-	-
<b>Statutory Items – Budgetary</b>				
Guaranteed Income Supplement	124.0	-	-	-
Canada Study Grants	30.7	-	-	-
Interests and liabilities under the <i>Canada Student Financial Assistance Act</i>	17.7	-	-	-
Federal Workers' Compensation	10.0	-	-	-
Liabilities under the <i>Canada Student Loans Act</i>	6.5	-	-	-
Old Age Security	(131.0)	-	-	-
Canada Education Savings Grant	(65.0)	-	-	-
Canada Learning Bond	(23.0)	-	-	-
Direct Financing Arrangement	(8.8)	-	-	-
Allowance Payments	(2.0)	-	-	-
<b>Sub-Total – Statutory Items</b>	<b>(40.9)</b>	-	-	-
<b>Statutory Items – Non-Budgetary</b>				
Loans disbursed under the <i>Canada Student Financial Assistance Act</i>	(103.4)	-	-	-
<b>Sub-Total Supplementary Estimates (B)</b>	<b>(138.6)</b>	-	-	-
<b>Others</b>				
TB Vote 15 – Collective Agreements	6.9	-	-	-
TB Vote 10 – Internal Audit Policy	0.2	-	-	-
Freeze – National Early Learning	(646.4)	-	-	-
Other Freezes	(21.8)	-	-	-
Operating Budget Transfers	(4.0)	-	-	-
<b>Sub-Total – Others</b>	<b>(665.1)</b>	-	-	-
<b>Planned Spending Items</b>				
Budget 2006				
<i>Wager Earner Protection Program</i>	n/a	<b>32.2</b>	32.2	32.2
<i>Foreign Credential Recognition Agency</i>	n/a	<b>6.8</b>	5.9	-
<i>Forest Industry Competitiveness Strategy</i>	n/a	<b>2.0</b>	3.0	-
<i>Internal Audit</i>	n/a	<b>1.7</b>	-	-

**Table 1** Planned Spending and Full-Time Equivalents (*continued*)

Program Activities (millions of dollars)	Forecast <sup>a</sup>	Planned Spending		
	2006–2007	2007–2008	2008–2009	2009–2010
Other				
<i>Workplace Skills – Trades and Apprenticeship Strategy</i>	n/a	-	2.6	-
<i>Homelessness Partnering Strategy<sup>b</sup></i>	n/a	-	134.8	-
<i>Understanding the Early Years – Adjustment Allowance</i>	n/a	-	7.5	2.4
<i>Old Age Security</i>	n/a	-	(30.0)	(57.0)
<i>Guaranteed Income Supplement</i>	n/a	-	-	(1,149.0)
<i>Employee Benefit Plan Adjustment (18.5%)</i>	n/a	<b>0.6</b>	0.2	0.5
<b>Total Other Planned Spending Items</b>	<b>n/a</b>	<b>43.3</b>	<b>156.2</b>	<b>(1,442.9)</b>
<b>Total Planned Spending (Net)</b>	<b>36,876.3</b>	<b>40,504.3</b>	<b>39,750.4</b>	<b>40,911.6</b>
Specified Purpose Accounts				
Employment Insurance	15,851.1	<b>16,423.6</b>	16,711.4	16,873.2
Canada Pension Plan	26,550.0	<b>27,881.1</b>	29,285.3	30,784.5
Other Specified Purpose Accounts	48.3	<b>45.3</b>	42.6	40.0
Departmental Employee Benefit Plan recoverable from Employment Insurance Account and Canada Pension Plan	(166.6)	<b>(153.9)</b>	(153.4)	(153.1)
<b>Total HRSDC Consolidated</b>	<b>79,159.1</b>	<b>84,700.4</b>	<b>85,636.3</b>	<b>88,456.2</b>
Less: Non-Respendable Revenue	623.0	<b>675.9</b>	722.6	769.6
Plus: Cost of services received without charge	35.8	<b>34.5</b>	33.0	31.9
<b>Total HRSDC</b>	<b>78,571.9</b>	<b>84,059.0</b>	<b>84,946.7</b>	<b>87,718.5</b>
Full Time Equivalents	23,905	<b>23,437</b>	23,004	22,665

<sup>a</sup> For 2006–2007, the Main Estimates and the forecasts have been restated to integrate the former Human Resources and Skills Development Canada and the former Social Development Canada under the approved 2007–2008 Program Activity Architecture.

<sup>b</sup> A new program, the Homelessness Partnering Strategy, was announced in December 2006 and is funded for two years (2007–2008 and 2008–2009).

# Financial Highlights

## Forecasts 2006–2007 to Planned Spending 2007–2008

Consolidated spending under Human Resources and Social Development authorities is expected to be \$84,700.4 million in 2007–2008. This represents an increase of \$5,541.3 million over the 2006–2007 forecasts of \$79,159.1 million. The variance is mainly due to:

- an increase of \$1,890.1 million in net operating expenditures mainly due to:
    - new funding for administration of programs such as:
      - \$1,922.9 million for Service Canada to deliver the lump sum payments recognizing the experience of residing at an Indian Residential School and its impact (Common Experience Payments);
      - \$14.3 million related to Apprenticeship Incentive Grant to provide a cash grant to registered apprentices once they have successfully completed their first or second year (level) of an apprenticeship program in one of the Red Seal trades;
      - \$4.4 million to enable the Labour Program to respond to critical program pressures resulting from steadily increasing responsibilities;
      - \$4.0 million for the Foreign Credential Recognition, mainly due to the planned funding for the Foreign Credential Recognition Agency announced in Budget 2006, for the establishment of a Canadian agency for assessment and recognition of foreign-trained immigrant credentials;
      - \$3.2 million related to Wage Earner Protection Program, which is designed to pay certain employees of bankrupt companies their unpaid wages and vacation up to \$3,000;
      - \$3.2 million related to a freeze in 2006–2007 of resources related to the Canada Student Loans Program for New Service Provider; and
      - \$3.0 million for other items.
    - These increases are offset by decreases of:
      - \$25.2 million related to operating budget carry forward funding in 2006–2007;
      - \$11.5 million related to reduced funding of the Government Advertising Plan;
  - \$8.5 million for workforce adjustment costs related to the Labour Market Development Agreement with the Province of Ontario incurred in 2006–2007;
  - \$6.6 million related to Canada Learning Bond and Canada Education Savings Grant funding profile prepared in 2005;
  - \$5.1 million for the Participation and Activity Limitation Survey;
  - \$2.7 million related to a smaller Cabinet for the new ministry of Human Resources and Social Development;
  - \$2.3 million related to the announcement on September 25, 2006 regarding effective spending;
  - \$1.7 million in Canada Student Loans Program as a result of an operational review; and
  - \$1.3 million for the World Urban Forum organized and hosted in 2006 only on behalf of the United Nations Human Settlements Program.
- a decrease of \$0.4 million for write-off of debt due to the Crown for Canada Student Loans Direct financing and the Government Annuities Account in 2006–2007.
  - an increase \$26.1 million in voted grants and contributions due to the following:
    - new funding for programs such as:
      - \$59.0 million for the Apprenticeship Incentive Grant;
      - \$37.0 million for the Targeted Initiative for Older Workers;
      - \$30.1 million for reprofiles from 2006–2007 to 2007–2008, including \$20.2 million for the Workplace Skills Strategy, \$4.5 million for the Aboriginal Skills and Employment Strategy, \$2.8 million for Understanding the Early Years, \$2.6 million for Education Savings Incentive Pan-Canadian Communities Outreach;
      - \$19.8 million for Adult Learning, Literacy and Essential Skills which includes an increase of \$5.2 million from the Budget 2005 announcement, an increase of \$20.0 million resulting from a reprofile from 2006–2007 and a decrease of \$5.3 million further to the announcement of September 25, 2006 on Effective Spending;
      - \$3.9 million to the New Horizons for Seniors Program as announced in Budget 2005;



- \$2.9 million for the Foreign Credential Recognition, including planned funding for the Foreign Credential Recognition Agency announced in Budget 2006, for the establishment of a Canadian agency for assessment and recognition of foreign-trained immigrant credentials;
- \$1.7 million related to Forest Industry Competitiveness Strategy announced in Budget 2006; and
- \$0.4 million for other items.
- o The preceding increases are offset by the following decreases:
  - \$66.2 million for the National Homelessness Initiative, which relates to unspent funds reprofiled to 2006–2007;
  - \$39.4 million further to the announcement of September 25, 2006 on Effective Spending of which \$33.2 million is related to the Summer Career Placement program\*, \$3.2 million to the Social Development Partnership Programs and \$3.0 million related to the Canadian Policy Research Network;
  - \$9.6 million related to the World Urban Forum organized and hosted in 2006 only, on behalf of the United Nations Human Settlements Program;
  - \$6.9 million for Cree Regional Authority funding received for 2006–2007;
  - \$3.6 million from the \$4.7 million included in the 2006–2007 Main Estimates for Voisey's Bay. \$1.1 million included in 2007–2008 Main Estimates results from a reprofile from 2005–2006; and
  - \$3.0 million related to Training Centre Infrastructure Fund.
- An increase of \$1,747.3 million in statutory program payments, mainly due to:
  - o An increase of \$36.9 million in Canada Student Loans Program as a result of:
    - an increase of \$70.6 million related to Direct Financing under the *Canada Student Financial Assistance Act* as a result of increased net program costs (\$53.4 million) due to enhancements to existing debt management measures and the increased volume of loans forgiven due to the removal of timing restrictions associated with permanent disability or death as well as an increase related to Canada Student Loans Program Direct Financing (\$17.2 million) related to the transitioning out of the existing Service Providers, following termination of the current contracts;
    - a decrease of \$0.1 million related to interests under the *Canada Student Loans Act*;
    - a decrease of \$7.8 million in liabilities under the *Canada Student Loans Act*. The variance is due to revised projections in the Guaranteed Loans portfolio in repayments. The Office of the Chief Actuary has increased this portfolio compared to last year's projections and, as a result, the forecast for claims payments has increased,
    - a decrease of \$11.3 million is related to interests under the *Canada Student Financial Assistance Act*; and
    - a decrease of \$14.5 million for the Canada Study Grant.
  - o an increase of \$30.0 million to the Canada Education Savings Grant;
  - o an increase of \$3.0 million to the Canada Learning Bond mainly due to revised assumptions in the take up rate and the fact that planned communication and outreach activities have not yet taken place;
  - o an increase of \$1,444.0 million for Income security statutory programs which include Old Age Security (increase of \$979.0 million), Guaranteed Income Supplement (increase of \$427.0 million) and Allowance (increase of \$38.0 million). These increases are explained by changes in the forecasted average rates of payment and in the population.
  - o increased funding of \$850.0 million for Universal Child Care Benefits, the first element of Canada's Universal Child Care Plan. The Universal Child Care Benefit is a new taxable benefit designed to assist Canadian families with young children, by supporting their child care choices through direct financial support;
  - o a decrease \$650.0 million in payments to provinces and territories related to the transition funding to phase-out the 2005 Early Learning and Child Care agreements signed by the previous government;

\* Under the new Canada Summer Jobs Initiative, \$85.9M will be made available in 2007. The level of funding for not-for-profit organizations will be maintained at \$77.3M.

- an increase of \$28.7 million related to the Wage Earner Protection Program, which is designed to pay certain employees of bankrupt companies their unpaid wages and vacation pay up to \$3,000;
- an increase of \$1.0 million in Workers' Compensation; and
- an increase of \$3.7 million in contribution to the employee benefit plans.
- a net decrease of \$22.4 million in non-budgetary payments for loans disbursed under the *Canada Student Financial Assistance Act*.
- an increase of \$572.5 million for planned Employment Insurance Account spending.
- an increase of \$1,331.1 million to the Canada Pension Plan. The increase in benefits of \$1,343.1 million reflects forecasts of client population and average benefit payments. This increase is offset by a decrease of \$12.0 million in the Plan administration costs.
- A decrease of \$3.0 million to other specified purpose accounts (Government Annuities Account and Civil Service Insurance Fund).

### **Planned Spending 2007–2008 to Planned Spending 2008–2009**

For 2008–2009, the department's consolidated planned spending is anticipated to be \$85,636.3 million, which represents an increase of \$935.9 million from the 2007–2008 planned spending. The major changes are as follows:

- a net decrease of \$1,960.4 million in operating expenditures, mainly due to:
  - Funding for the following initiatives:
    - \$1,926.9 million for the delivery of the lump sum payments recognizing the experience of residing at an Indian Residential School and its impacts (Common Experience Payments);
    - \$6.2 million in funding of the Labour Program;
    - \$5.5 million in Workplace Skills Initiative;
    - \$1.9 million in Adult Learning, Literacy and Essential Skills Program;
    - \$1.7 million in Aboriginal Skills Employment Partnership;
    - \$1.6 million in Official Language Minority Community;
    - \$1.6 million for the Internal Audit Policy.
- Decreases related to the multi-year funding profile for the following initiatives:
  - \$7.0 million for Trades and Apprenticeship Strategy;
  - \$3.5 million for Understanding the Early Years;
  - \$1.4 million for the Targeted Initiative for Older Workers;
  - \$1.1 million for the Apprenticeship Incentive Grant;
  - \$0.8 million for the Foreign Credential Recognition Agency;
  - \$0.4 million due to the operational review of the Canada Student Loan Program;
  - \$0.3 million transfer of the funding for Private Collection Agencies to the Canada Revenue Agency;
  - \$0.3 million in Immigration Portal for the development of information for prospective and new immigrants on credential and skills assessment and employment opportunities;
  - \$0.1 million in Universal Child Care; and
  - \$0.1 million in Canada Action Plan against Racism.
- a decrease of \$71.6 million in voted grants and contributions, mainly due to:
  - Funding for the following initiatives:
    - \$22.4 million for the National Learning contributions;
    - \$12.0 million in Official Language Minority Communities;
    - \$1.2 million for Voisey's Bay.
  - Decreases related to the multi-year funding profile for the following initiatives:
    - \$32.0 million in Targeted Initiative for Older Workers from the \$44.9 million approved in 2007–2008 to assist unemployed older workers in communities with ongoing high unemployment and/or affected by downsizing;
    - \$10.8 million in Aboriginal Skills Employment Partnership;
    - \$5.0 million in Understanding the Early Years;
    - \$1.4 million due to a reprofile in grant for the National Learning Program;
    - \$0.5 million for National Early Learning and Childcare;
    - \$0.4 million for Kativik Regional Government.

- offset by increases of \$8.0 million for Apprenticeship Incentive Grant, \$4.7 million for Workplace Skills Initiative, \$1.0 million for the Forest Industry Competitiveness Strategy and \$0.4 million for Foreign Credential Recognition.
  - an increase of \$1,385.0 million in statutory payments mainly related to:
    - \$1,374.0 million for Income Security Programs which include Old Age Security (increase of \$1,075.0 million), Guaranteed Income Supplement (increase of \$272.0 million) and Allowances (increase of \$27.0 million);
    - \$20.0 million for the Canada Education Savings Grant;
    - \$10.0 million for the Universal Child Care Benefits;
    - \$8.0 million for the Canada Learning Bond;
    - offset by decreases of \$9.0 million for the Federal Workers' Compensation, of \$13.8 million in Canada Student Loans Program and of \$4.2 million in contribution to employee benefit plans.
  - a net decrease of \$106.4 million in non budgetary payments for loans disbursed under the *Canada Student Financial Assistance Act* which is primarily due to the impact of loan reimbursements from borrowers in the loan portfolio;
  - an increase of \$287.8 million for the Employment Insurance (EI) Account mainly due to an increase in forecasted EI Part I benefits of \$295.0 million;
  - an increase of \$1,404.2 million to the Canada Pension Plan mainly due to an increase in forecasted Canada Pension Plan benefits of \$1,403.0 million; and
  - a decrease of \$2.7 million in the payments and other charges related to the Government Annuities Account.
- Funding for the following initiatives:
    - \$22.2 million for the Homelessness Partnering Strategy for which the funding was approved for two years (2007–2008 and 2008–2009);
    - \$3.8 million for Foreign Credential Recognition;
    - \$2.6 million for Trades and Apprenticeship Strategy;
    - \$2.5 million in Aboriginal Human Resources Development Strategy;
    - \$1.5 million in Voluntary Sector Strategy;
    - \$1.5 million in Participation and Activity Limitation Survey;
    - \$1.0 million related to the Targeted Initiative for Older Workers;
    - \$0.3 million in the Forest Industry Competitiveness Strategy due to the end of funding in 2008–2009.
  - Decreases related to the multi-year funding profile for the following initiatives:
    - \$1.2 million for the delivery of the lump sum payments recognizing the experience of residing at an Indian Residential School and its impacts (Common Experience Payments);
    - \$0.9 million for Understanding the Early Years;
    - \$0.5 million due to the operational review of the Canada Student Loan Program;
    - \$0.3 million transfer of the funding for Private Collection Agencies to the Canada Revenue Agency;
    - \$0.3 million in Universal Child Care;
    - \$0.1 million in Immigration Portal for the development of information for prospective and new immigrants on credential and skills assessment and employment opportunities.
  - offset by an increase of \$0.9 million for the Apprenticeship Incentive Grant.
- a decrease of \$171.0 million in voted grants and contributions, mainly due to:
    - Funding for the following initiatives:
      - \$109.3 million related to the Homelessness Partnering Strategy for which the funding was approved for two years;
      - \$22.5 million in Aboriginal Human Resources Development Strategy;
      - \$12.9 million in Targeted Initiative for Older Workers;
      - \$8.1 million for Aboriginal Skills Employment Partnership;

## **Planned Spending 2008–2009 to Planned Spending 2009–2010**

For 2009–2010, the department's consolidated planned spending is anticipated to be \$88,456.2 million, which represents an increase of \$2,819.9 million from the 2008–2009 planned spending. The major changes are as follows:

- a net decrease of \$37.8 million in operating expenditures, mainly due to:

- \$2.7 million for the Forest Industry Competitiveness Strategy;
- \$2.1 million for the Foreign Credential Recognition Agency.
- o Decreases related to the multi-year funding profile for the following initiatives:
  - \$10.0 million for Workplace Skills Innovation Initiative;
  - \$9.0 million in Foreign Credential Recognition;
  - \$1.3 million in Voluntary Sector Strategy;
  - \$0.5 million in Education Savings Incentives Pan-Canadian Community Outreach.
- o offset by increases of \$7.0 million for Apprenticeship Incentive Grant and \$0.4 million for Kativik Regional Government representing a reprofile from previous years.
- an increase of \$1,512.6 million in statutory payments mainly related to:
  - o \$1,481.0 million for Income Security Programs which include Old Age Security (increase of \$1,179.0 million), Guaranteed Income Supplement (increase of \$274.0 million) and Allowances (increase of \$28.0 million);
  - o \$17.0 million in the Canada Student Loans Program;
  - o \$10.0 million for the Universal Child Care Benefits;
  - o \$8.0 million for the Canada Learning Bond; and
  - o offset by a decrease of \$3.4 million in contribution to employee benefit plans.
- a net decrease of \$142.3 million in non budgetary payments for loans disbursed under the *Canada Student Financial Assistance Act* which is primarily due to the impact of loan reimbursements from borrowers in the loan portfolio;
- an increase of \$161.8 million for the Employment Insurance Account mainly due to an increase in forecasted Employment Insurance Part I benefits of \$169.0 million;
- an increase of \$1,499.2 million to the Canada Pension Plan mainly due to an increase in forecasted Canada Pension Plan benefits of \$1,499.0 million; and
- a decrease of \$2.6 million in the payments and other charges related to the Government Annuities Account.

**Table 2** Voted and Statutory Items Listed in Main Estimates

		(in millions of dollars)	
Vote		2007–2008 Main Estimates	2006–2007 Main Estimates
1	Operating expenditures	2,508.9	323.2
5	Grants and Contributions	1,155.8	825.4
(S)	Minister of Human Resources and Social Development – Salary and motor car allowance	0.1	0.1
(S)	Minister of Labour and Minister of the Economic Development Agency of Canada for the Regions of Quebec – Salary and motor car allowance	0.1	0.1
(S)	Old Age Security Payments	24,093.0	23,255.0
(S)	Guaranteed Income Supplement Payments	7,413.0	6,820.0
(S)	Allowance Payments	553.0	500.0
(S)	Payments related to the direct financing arrangement under the <i>Canada Student Financial Assistance Act</i>	366.4	304.6
(S)	The provision of funds for interest payments to lending institutions under the <i>Canada Student Loans Act</i>	0.1	0.1
(S)	The provision of funds for liabilities including liabilities in the form of guaranteed loans under the <i>Canada Student Loans Act</i>	8.1	9.5
(S)	The provision of funds for interest and other payments to lending institutions and liabilities under the <i>Canada Student Financial Assistance Act</i>	52.9	46.4
(S)	Canada Study Grants to qualifying full and part-time students pursuant to the <i>Canada Student Financial Assistance Act</i>	136.1	119.9
(S)	Supplementary Retirement Benefits – Annuities agents' pensions	-	-
(S)	Universal Child Care Benefit Payments	2,460.0	-
(S)	Civil Service Insurance actuarial liability adjustments	0.1	0.1
(S)	Payments of compensation respecting government employees and merchant seamen	59.0	48.0
(S)	Canada Learning Bond payments to Registered Education Savings Plans (RESPs) trustees on behalf of RESP beneficiaries to support access to post-secondary education for children from low-income families	25.0	45.0
(S)	Canada Education Savings Grant payments to Registered Education Savings Plans (RESPs) trustees on behalf of RESP beneficiaries to encourage Canadians to save for post-secondary education for their children	540.0	575.0
(S)	Contributions to employee benefit plans	233.7	177.7
	<b>Appropriations not required</b>		
-	Operating expenditures – (Social Development)	-	295.6
-	Grants and contributions - (Social Development)	-	946.6
	<b>Items not required</b>		
-	Payments to private collection agencies pursuant to Section 17.1 of the <i>Financial Administration Act</i>	-	18.5
-	Contributions to employee benefit plans - (Social Development)	-	66.4

**Table 2** Voted and Statutory Items Listed in Main Estimates (*continued*)

Vote		(in millions of dollars)	
		2007–2008 Main Estimates	2006–2007 Main Estimates
-	Labour adjustment benefits in accordance with the terms and conditions prescribed by the Governor in Council to assist workers who have been laid off as a result of import competition, industrial restructuring, or severe economic disruption	-	-
	<b>Total Budgetary</b>	<b>39,605.3</b>	<b>34,377.2</b>
(S)	Loans disbursed under the <i>Canada Student Financial Assistance Act</i> (Non-Budgetary)	855.7	981.5
	<b>Total Department</b>	<b>40,461.0</b>	<b>35,358.7</b>

## Financial Highlights

The 2007–2008 Main Estimates total of \$40,461.0 million for Human Resources and Social Development Canada represents a net increase of \$5,102.3 million over the 2006–2007 Main Estimates amount of \$35,358.7 million. The major changes are as follows:

- An increase of \$1,890.1 million in net operating expenditures mainly due to:
  - new funding for administration of programs such as:
    - \$1,930.6 million for Service Canada to deliver the lump sum payments recognizing the experience of residing at an Indian Residential School and its impact (Common Experience Payments);
    - \$14.3 million related to Apprenticeship Incentive Grant to provide a cash grant to registered apprentices once they have successfully completed their first or second year (level) of an apprenticeship program in one of the Red Seal trades;
    - \$6.2 million to enable the Labour Program to respond to critical program pressures resulting from steadily increasing responsibilities;
    - \$2.4 million for Targeted Initiative for Older Workers to address the immediate needs of employed older workers in vulnerable communities and to undertake a feasibility study of measures to assist displaced older workers;
  - \$1.4 million related to Universal Child Care Benefits as the first element of Canada's Universal Child Care Plan. The Universal Child Care Benefit is a new taxable benefit designed to assist Canadian families with young children, by supporting their child care choices through direct financial support.
  - As well as increases of \$5.6 million related to the collective agreements and \$3.8 million as a result of the transfer of the Policy Research Initiative from the Privy Council Office.
  - These are offset by decreases of:
    - \$17.2 million related to the transfer of Private Collection Agencies to the Canada Revenue Agency. With the integration of the HRSD collection activities, approximately 95% of all government collection activities now rest with the Canada Revenue Agency. It signifies a first step towards moving the government of Canada to a consolidated debt management approach for collections;
    - \$14.0 million related to reduced funding of the Government Advertising Plan;
    - \$7.1 million related to the announcement on September 25, 2006 regarding Effective Spending;
    - \$6.6 million related to Canada Learning Bond and Canada Education Savings Grant according to the funding profile approved in 2005;
    - \$5.7 million related to Canada Student Loans Program New Recovery Initiative. End of funding under HRSDC for 2007–2008;

- \$5.1 million to reduce funding of the Participation and Activity Limitation Survey;
  - \$4.8 million related to the government's Expenditure Review Committee Procurement Savings;
  - \$3.9 million related to a Smaller Cabinet for the new ministry of Human Resources and Social Development;
  - \$2.1 million due to a transfer to Public Works and Government Services Canada of accommodation space from HRSDC and for banking services;
  - \$1.7 million in Canada Student Loans Program as a result of the operational review;
  - \$1.3 million for the World Urban Forum organized and hosted in 2006 only on behalf of the United Nations Human Settlements Program; and
  - \$4.7 million related to other items.
- A decrease of \$616.2 million in voted grants and contributions due to the following reductions:
    - \$650.0 million to phase-out the 2005 Early Learning and Child Care agreements signed by the previous government;
    - \$48.2 million further to the announcement of September 25, 2006 on Effective Spending of which \$43.2 million is related to the Summer Career Placement program\*, \$2.0 million to the Social Development Partnership Programs and \$3.0 million related to the Canadian Policy Research Network;
    - \$29.0 million for Homelessness. The 2006–2007 Main Estimates were higher by \$29.0 million as they included a reprofile of unspent funds from the 2004–2005 fiscal year of that amount;
    - \$11.4 million related to Workplace Skills Innovation Initiative due to a reprofile from 2007–2008 to 2009–2010;
    - \$11.0 million related to Training Centre Infrastructure Fund, including a decrease of \$4.2 million further to the announcement of September 25, 2006 on Effective Spending;
    - \$9.6 million related to the World Urban Forum organized and hosted in 2006 only, on behalf of the United Nations Human Settlements Program;
- \$3.6 million from the \$4.7 million included in the 2006–2007 Main Estimates for Voisey's Bay. \$1.1 million included in 2007–2008 Main Estimates results from a reprofile from 2005–2006; and
  - \$0.6 million related to Understanding the Early Years which includes a decrease of \$3.4 million further to the announcement of September 25, 2006 on Effective Spending and an increase of \$2.8 million as per the multi-year funding profile.
  - The preceding reductions are offset by new funding for programs such as:
    - \$91.0 million for the Apprenticeship Incentive Grant;
    - \$44.9 million for the Targeted Initiative for Older Workers;
    - \$5.1 million for Adult Learning, Literacy and Essential Skills which includes an increase of \$5.2 million from the Budget 2005 announcement, an increase of \$10.0 million resulting from a reprofile from 2006–2007 and a decrease of \$10.1 million further to the announcement of September 25, 2006 on Effective Spending;
    - \$3.9 million to the New Horizons for Seniors Program as announced in Budget 2005; and
    - \$2.3 million is related to other items.
- An increase of \$3,954.2 million in statutory program payments, mainly due to:
    - An increase of \$83.1 million in Canada Student Loans Program under the *Canada Student Financial Assistance Act* as a result of:
      - an increase of \$61.8 million related to Direct Financing under the *Canada Student Financial Assistance Act* as a result of increased net program costs (\$45.3 million) due to enhancements to existing debt management measures and the increased volume of loans forgiven due to the removal of timing restrictions associated with permanent disability or death as well as an increase related to Canada Student Loans Program Direct Financing (Statutory Operating – \$16.5 million). The adjustment is primarily due to the Service Bureau forecast increased from previous years. This increase is mainly due to additional forecasted expenditures related to the

\* Under the new Canada Summer Jobs Initiative, \$85.9M will be made available in 2007. The level of funding for not-for-profit organizations will be maintained at \$77.3M.

transitioning out of the existing Service Providers, following termination of the current contracts;

- a decrease of \$1.4 million in liabilities under the *Canada Student Loans Act*. The variance is due to revised projections in the Guaranteed Loans portfolio in repayments. The Office of the Chief Actuary has increased this portfolio compared to last year's projections and, as a result, the forecast for claims payments has increased;
  - an increase of \$6.5 million is related to interest under the *Student Financial Assistance Act*. The adjustment amount for 2007–2008 is largely due to increases in the debt reduction forecast as well as the interest relief forecast for which the up-take following the Budget 2005 implementation is much larger than what was initially expected; and
  - an increase of \$16.2 million for the Canada Study Grant, from \$119.9 million to \$136.1 million mainly due to higher than expected up-take of the new Canada Access Grant program proposed in Budget 2004, made effective August 2005.
- A decrease of \$35.0 million to the Canada Education Savings Grant, from \$575.0 million to \$540.0 million due to lower than expected take-up rate;
  - A decrease of \$20.0 million to the Canada Learning Bond mainly due to revised assumptions in the take up rate and the fact that planned communication and outreach activities have not yet taken place;
  - An increase of \$1,484.0 million for Income security statutory programs which include Old Age Security, Guaranteed Income Supplement and Allowance. This increase is explained by changes in the forecasted average rates of payment and in the population:
    - Old Age Security – Increase of \$838.0 million. The forecasted average monthly rate for the Old Age Security basic has increased from \$468.44 to \$477.35, which accounts for an increase of \$462.0 million. There is also an increase in the estimated number of beneficiaries from 4,283,160 to 4,382,379, which accounts for an increase of \$564.0 million and by an anticipated increase in the Old Age Security benefit repayment which will reduce the Old Age Security benefit payments by \$188.0 million;
    - Guaranteed Income Supplement – Increase of \$593.0 million. The forecasted average monthly rate has increased from \$361.21 to \$378.03 resulting in an increase of \$324.0 million. The estimated number of beneficiaries has increased from 1,573,397 to 1,634,112, accounting for an increase of \$269.0 million;
    - Allowance Payments – Increase of \$53.0 million. The average forecast monthly rate has increased from \$418.79 to \$449.32, accounting for an increase of \$37.0 million. The estimated number of beneficiaries increased from 99,492 to 102,563, accounting for an increase of \$16.0 million.
  - New funding of \$2,460.0 million for Universal Child Care Benefits, the first element of Canada's Universal Child Care Plan. The Universal Child Care Benefit is a new taxable benefit designed to assist Canadian families with young children, by supporting their child care choices through direct financial support; and
  - A decrease of \$18.5 million related to the transfer of Private Collection Agencies to the Canada Revenue Agency. With the integration of the HRSDC collection activities, approximately 95% of all government collection activities now rest with the Canada Revenue Agency. It signifies a first step towards moving the government of Canada to a consolidated debt management approach for collections;
  - An increase of \$11.0 million in Workers' Compensation. Expenditures will increase (mainly due to benefit payments made in Nova Scotia as a result of their Court of Appeal's decision related to chronic pain) by an amount of \$5.4 million for 2006–2007 and 2007–2008. All other expenditures should rise at an ongoing rate of 2%;
  - A decrease of \$10.4 million in contribution to the employee benefit plans mainly due to the decrease in the rate from 19.0% in the previous year to 18.5%.
- A decrease of \$125.8 million in non-budgetary payments for loans negotiated under the *Canada Student Financial Assistance Act*, from \$981.5 million to \$855.7 million as a result of a \$113.9 million increase in loans disbursed due to higher than forecasted uptake on Budget 2004 measures intended to ease the transition to post-secondary education offset by a \$239.7 million increase in loan repayments due to revised recovery assumptions.



**Table 3** Services Received Without Charge

(millions of dollars)	2007–2008
Contributions covering employers' share of employees' insurance premiums and expenditures paid by Treasury Board Secretariat	30.7
Salary and associated expenditures of legal services provided by the Department of Justice Canada	3.8
<b>Total 2007–2008 Services received without charge</b>	<b>34.5</b>

**Table 4** Loans (Non-Budgetary)

(millions of dollars)	Forecast	Planned Spending		
	2006–2007	2007-2008	2008–2009	2009–2010
<b>Learning</b>				
Loans disbursed under the <i>Canada Student Financial Assistance Act</i>	878.1	<b>855.7</b>	749.3	607.0
<b>Total</b>	878.1	<b>855.7</b>	749.3	607.0

**Table 5** Sources of Responsible and Non-Responsible Revenue

	Forecast <sup>a</sup>		Planned Revenue	
	2006–2007	2007–2008	2008–2009	2009–2010
<b>Responsible Revenue (millions of dollars)</b>				
<b>Labour Market</b>				
Employment Insurance Recovery <sup>b</sup>	59.6	<b>31.2</b>	28.2	27.1
<b>Workplace Skills</b>				
Employment Insurance Recovery <sup>b</sup>	33.3	<b>34.7</b>	26.7	19.7
<b>Learning</b>				
Employment Insurance Recovery <sup>b</sup>	24.6	<b>22.2</b>	23.6	22.3
<b>Labour</b>				
Workers' Compensation – Other Government Departments	78.4	<b>79.4</b>	78.4	80.4
Employment Insurance Recovery <sup>b</sup>	0.6	<b>0.6</b>	0.6	0.6
	79.0	<b>80.0</b>	79.0	81.0
<b>Social Investment</b>				
Canada Pension Plan Recovery	63.1	<b>51.9</b>	51.9	51.9
<b>Policy, Research &amp; Communication</b>				
Employment Insurance Recovery <sup>b</sup>	127.6	<b>132.0</b>	137.8	147.2
Canada Pension Plan Recovery	12.1	<b>5.7</b>	5.7	5.7
	139.7	<b>137.7</b>	143.5	152.9
<b>Seamless, Citizen-Centred Service</b>				
Employment Insurance Recovery <sup>b</sup>	271.9	<b>191.1</b>	190.1	190.7
Canada Pension Plan Recovery	101.0	<b>102.7</b>	102.7	102.7
	372.9	<b>293.8</b>	292.8	293.4
<b>Integrity</b>				
Employment Insurance Recovery <sup>b</sup>	719.6	<b>752.7</b>	754.3	752.1
Canada Pension Plan Recovery	86.6	<b>88.9</b>	88.9	88.9
	806.2	<b>841.6</b>	843.2	841.0
<b>Collaborative, Networked Government Service</b>				
Employment Insurance Recovery <sup>b</sup>	175.0	<b>218.1</b>	217.4	216.4
<b>Total Responsible Revenue</b>	<b>1,753.4</b>	<b>1,711.2</b>	<b>1,706.3</b>	<b>1,705.7</b>
<b>Non-Responsible Revenue (millions of dollars)</b>				
<b>Labour Market</b>				
Employee Benefit Plan recoverable from Employment Insurance	0.3	<b>3.0</b>	2.6	2.6
<b>Workplace Skills</b>				
Employee Benefit Plan recoverable from Employment Insurance	2.2	<b>3.5</b>	3.0	2.3
<b>Learning</b>				
Employee Benefit Plan recoverable from Employment Insurance	2.7	<b>1.5</b>	1.8	1.9
Canada Student Loans	449.5	<b>517.6</b>	564.6	611.8
	452.2	<b>519.1</b>	566.4	613.7

**Table 5** Sources of Respendable and Non-Respendable Revenue (*continued*)

	Forecast <sup>a</sup>	Planned Revenue		
	2006–2007	2007–2008	2008–2009	2009–2010
Labour – Service Fees	2.3	<b>2.3</b>	2.4	2.5
<b>Social Investment</b>				
Employee Benefit Plan recoverable from Canada Pension Plan	2.6	<b>3.2</b>	3.2	3.2
User Fees: Searches of the Canada Pension Plan and Old Age Security data banks to locate individuals	0.1	<b>0.1</b>	0.1	0.1
	2.7	<b>3.3</b>	3.3	3.3
<b>Policy, Research and Communication</b>				
Employee Benefit Plan recoverable from Employment Insurance	9.8	<b>7.7</b>	8.0	8.6
Employee Benefit Plan recoverable from Canada Pension Plan	1.5	<b>0.3</b>	0.3	0.3
	11.3	<b>8.0</b>	8.3	8.9
<b>Seamless, Citizen-Centred Service</b>				
Employee Benefit Plan recoverable from Employment Insurance	46.1	<b>20.9</b>	20.7	20.8
Employee Benefit Plan recoverable from Canada Pension Plan	9.0	<b>9.2</b>	9.2	9.1
	55.1	<b>30.1</b>	29.9	29.9
<b>Integrity</b>				
Employee Benefit Plan recoverable from Employment Insurance	84.3	<b>90.3</b>	90.5	90.2
Employee Benefit Plan recoverable Recovery from Canada Pension Plan	7.7	<b>7.3</b>	7.3	7.3
User fee: Social Insurance Number Replacement Card Fee	1.9	<b>1.9</b>	1.9	1.9
	93.9	<b>99.5</b>	99.7	99.4
<b>Collaborative, Networked Government Service</b>				
Employee Benefit Plan recoverable Recovery from Employment Insurance	0.5	<b>7.1</b>	7.0	7.0
<b>Total Non-Respendable Revenue</b>	620.5	<b>675.9</b>	722.6	769.6
<b>Total Respendable and Non-Respendable Revenue</b>	2,373.9	<b>2,387.1</b>	2,428.9	2,475.3

<sup>a</sup> For 2006–2007, the forecast has been restated to integrate the former Human Resources and Skills Development Canada and the former Social Development Canada under the approved 2007–2008 Program Activity Architecture.

<sup>b</sup> Employment Insurance funds are only spent for Employment Insurance purposes.

**Table 6** Department's Regulatory Initiatives

Regulations	Expected Results
<p>Strategic Outcome: <b>Enhanced Canadian productivity and participation through efficient and inclusive labour markets, competitive workplaces and access to learning</b></p>	
<p>Housekeeping improvements to the Canada Student Loans Program regulatory framework.</p> <p>The legislative and regulatory framework of the Canada Student Loans Program has undergone frequent, almost yearly, changes since the inception of the program. Ongoing legislative and regulatory improvements are required in order to keep step with these changes.</p>	<p>The Canada Student Loans Program is planning to move ahead with regulatory changes to make the program more effective and efficient to clarify the rules regarding certain benefits.</p> <p>Amendments to the <i>Canada Student Financial Assistance Regulations</i> and the <i>Canada Student Loans Regulations</i> are required to implement the changes.</p> <p>Examples of these changes include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• Canada Study Grant for Female Doctoral Students</li> <li>• Recognition of Provincial Restrictions</li> <li>• Part-time loan limit</li> <li>• Eligibility Criteria</li> </ul>
<p>Strategic Outcome: <b>Enhanced Canadian productivity and participation through efficient and inclusive labour markets, competitive workplaces and access to learning</b></p>	
<p>Regulatory and legislative initiatives required to address Employment Insurance policy and operational priorities will be undertaken as necessary.</p>	
<p>Strategic Outcome: <b>Safe, healthy, fair, stable, cooperative and productive workplaces and effective international labour standards</b></p>	
<p><i>Wage Earner Protection Program Act</i> – and Regulations</p>	<p>The <i>Wage Earner Protection Program Act</i> was passed and received Royal Assent on November 25, 2005, but is not yet in force pending the introduction of amendments that are meant to ensure the Program operates as originally intended. Regulations will be developed specifying certain conditions of eligibility for the Program, clarifying the definition of wages protected under the <i>Act</i>, and establishing administrative procedures.</p>
<p>Workplace Violence Prevention Regulations</p>	<p>These regulations are intended to prevent direct or indirect acts of violence in workplaces subject to federal jurisdiction.</p>
<p>Parts I (Industrial Relations), II (Occupational Health and Safety) and III (Labour Standards) of the <i>Canada Labour Code</i></p>	<p>The purpose of these regulations is to resolve a jurisdictional void that currently exists with respect to the application of labour laws to the nuclear facilities at Point Lepreau in New Brunswick.</p>
<p>Electronic alternatives Regulations for the Purposes of Subsection 254(1) of the <i>Canada Labour Code</i></p>	<p>These regulations will permit federally-regulated employers to issue pay statements to employees using electronic means.</p>

## **Table 7** Details on Transfer Payment Programs

Over the three fiscal years (2007–2008 to 2009–2010), HRSDC will manage the following transfer payment programs in excess of \$5 million:

1. Youth Employment Strategy
2. Adult Learning, Literacy and Essential Skills Program
3. Canada Student Loans Program – Liabilities
4. Canada Student Loans Program – Interest Payments and Liabilities
5. Canada Student Loans Program – Direct Financing Arrangement
6. Canada Study Grants and Canada Access Grants
7. Canada Learning Bond
8. Canada Education Savings Grant
9. Old Age Security
10. Guaranteed Income Supplement
11. Allowance Payments
12. Social Development Partnership Program
13. New Horizons for Seniors
14. Opportunities Fund for Persons with Disabilities
15. Multilateral Framework for Labour Market Agreements for Persons with Disabilities
16. Aboriginal Skills and Employment Partnerships
17. Aboriginal Human Resources Development Strategy
18. Aboriginal Human Resources Development Program – the Joint Voisey's Bay Employment and Training Authority
19. Sector Council Program
20. Foreign Credential Recognition Program
21. Enabling Fund for Official Language Minority Communities
22. Homelessness Partnering Initiative
23. Workplace Skills Strategy
24. Universal Child Care Benefit
25. Apprenticeship Incentive Grant
26. Wage Earner Protection Program
27. Targeted Initiative for Older Workers

Further information on these projects can be found at [http://www.tbs-sct.gc.ca/est-pre/20072008/p3a\\_e.asp](http://www.tbs-sct.gc.ca/est-pre/20072008/p3a_e.asp)

## **Table 8** Foundations (Conditional Grants)

In 2007–2008, HRSDC will contribute or is reporting on the following Grants:

1. Canadian Council on Learning
2. The Canada Millennium Scholarship Foundation
3. The Peter Gzowski Foundation for Literacy
4. The Winnipeg Foundation

Further information on these projects can be found at [http://www.tbs-sct.gc.ca/est-pre/20072008/p3a\\_e.asp](http://www.tbs-sct.gc.ca/est-pre/20072008/p3a_e.asp)

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## **Table 9** Horizontal Initiatives

During fiscal year 2007–2008, HRSDC will be involved in the following horizontal initiatives. Unless otherwise mentioned in the list, HRSDC acts as the lead Department for these initiatives.

1. Youth Employment Strategy
2. Sector Council Program
3. Labour Market Development Agreements
4. Foreign Credential Recognition Program
5. Canada Student Loans Program
6. National Child Benefit
7. Multilateral Framework for Early Learning and Child Care
8. Early Childhood Development Agreement
9. Aboriginal Skills and Employment Partnership Program
10. Aboriginal Human Resources Development Strategy
11. Action Plan for Official Languages (Privy Council Office is the lead)
12. Homelessness Partnering Strategy
13. Targeted Initiative for Older Workers

Supplementary information on Horizontal Initiatives can be found at [http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-hrbd/profil\\_e.asp](http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-hrbd/profil_e.asp)

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## Table 10 2007–2009 Sustainable Development Strategy

The Sustainable Development Strategy for Human Resources and Social Development Canada was tabled in Parliament on December 20, 2006. As a large department, with a broad labour market and social mandate, the Department has an important role to play in supporting the Government's efforts. The Sustainable Development Strategy incorporates green operations and long-term sustainability through its vision of:

**Advancing sustainable development by supporting a strong, inclusive labour market and society, and by being an example of sustainability in the provision of Government of Canada services to Canadians in a manner that reduces the impact on the environment**

Sustainable Development Strategies are a key element of the Government of Canada's approach to sustainable development: the means to meet the needs of the present without compromising the ability of future generations to meet their own needs. Sustainable Development Strategies communicate the ways in which federal departments and agencies integrate environmental, economic, and social factors in decision-making. This fourth round is co-led by Environment Canada, Public Works and Government Services Canada, and Treasury Board Secretariat. Federal guidance for this round aims to enhance coherence, coordination and results reporting among departments.

Within their respective mandates, departments and agencies will work together to support the achievement of six government-wide sustainable development goals: clean air, clean water, reducing greenhouse gas emissions, sustainable communities, sustainable development and use of natural resources, and governance for sustainable development. HRSDC commitments are aligned to these goals and integrated with business priorities.

The Strategy has a two pronged approach: it focuses on the application of a sustainable development lens while developing policies and programs through a select number of Signature Projects, and greening of its day-to-day operations. Over the course of the Strategy, key departmental priorities are:

- building energy;
- reducing vehicle emissions;
- green procurement;
- green processing of its operations;
- collaboration with communities for sustainability; and
- development of the signature projects as examples of sustainable development in policy making and program design.

The Department is committed to reducing its environmental impact while ensuring that communities across the country can access benefits and services from the broad spectrum of service offerings available. Our Green Operations, largely led by Service Canada, will focus on activities such as infrastructure energy saving initiatives, energy conserving lighting, decreasing office equipment energy use, recycling, fleet optimization, eco-driving or carpooling, green hotel usage, green procurement, e-waste management, simplification of program delivery document requirements and e-paycheque related initiatives.

HRSDC's longer term approach for this Sustainable Development Strategy is to select a focused number of meaningful projects to advance sustainable development knowledge from the policy and program design perspective. These Signature Projects will allow to review programs and identify areas where all three sustainable development areas – economic, environmental and social – are addressed. HRSDC will undertake signature projects in the following three areas focused on people, partnerships and knowledge:

- **People:** Supporting initiatives that help Canadians invest in themselves, by providing access to learning, income security, and supporting efficient and inclusive labour markets to improve the sustainability of communities.
- **Partnerships:** By leveraging knowledge and people to develop partnerships and identify new opportunities to encourage sustainable employment in particular as it relates to the environment.
- **Knowledge:** Generating an information base to ensure social, environmental and economic factors inform decision-making.

To ensure successful implementation of this strategy, the departmental governance mechanisms will be strengthened by identifying "Champions" for both the policy and program components, and the green operations. Through effective communication practices, awareness campaigns, training of policy analysts, monitoring of the related activities, integrating the Strategy with the business planning and reporting the results to the Parliament, the Department will be able to provide robust governance structure to this strategy.

**Table 10** 2007–2009 Sustainable Development Strategy (*continued*)

The following table provides an overview of the planned activities and their expected results:

Department Priority	Activity	Expected Results for 2007–2008 <sup>a</sup>
<b>Building Energy</b>	Energy Conserving Lighting Initiative	Increased use of energy conserving lighting
	Decreasing our office equipment energy use	Reduced energy use for building office equipment
	Recycling Initiative	Increased volume of recycled materials
<b>Reduction in Vehicle Emissions</b>	Fleet Optimization Initiative	Reduced vehicle fleet Green House Gas emissions
	Carpooling Initiative – Vanier-Portage Shuttle Bus Service	Increased carpooling
	Eco-driving Initiative	Increased sustainable vehicle usage awareness among staff
<b>Green Procurement</b>	Green Hotel Usage Initiative	Increased departmental purchases of 'green' or sustainable products or services
	E-Waste Initiative	Increased procurement with E-Waste clause
	Sustainable Procurement Initiative	Increased departmental purchases of 'green' or sustainable products or services
	Regional Offices Phonebook Reduction Initiative	Reduced acquisition of paper materials
<b>Green Processing</b>	Processing Automation Initiative	Reduced energy and paper use through service process automation
	Simplification of Program Delivery Document Requirements	Decreased service delivery processing requirements
	Paper Reduction Initiative	Reduced quantity of paper is used for printing
<b>Collaboration with Communities</b>	Promoting Environmentally Friendly Service Delivery Channels	Reduced mail processing
	Strengthening the Environmental Assessment Function	Funding proposals are pre-screened
	Encouraging Staff Volunteerism in Local Communities	Increased number of volunteering activities by employees
	Facilitating Recycling in Service Canada Centres	Increased volume of recycled materials in Service Canada Centres

<sup>a</sup> Commitments are to be achieved over three years period.



**Table 10** HRSDC 2007–2009 Sustainable Development Strategy (continued)

Department Priority	Activity	Expected Results for 2007–2008
<b>Signature Projects</b>	<b>Partnerships</b> – Promote work with the Environmental Career Organization:	
	Building Environmental Aboriginal Human Resources Growth Phase 1 Project	Results of the national steering committee and advisory groups guide the subsequent phases of the project
	Contaminated Sites Labor Market Study Supply Side	Preliminary findings of the project are reported
	Knowledge – Develop the pilot website – “Indicators of Well-being in Canada”	Key “Indicators of Well-being in Canada” are made available for policy, program and service delivery improvement
	<b>People</b> – Supporting Signature Projects with the Pan-Canadian Innovations Initiative:	
	British Columbia Reclamation and Prospecting Teams project	Participants gain skills and have a positive perception of the mineral exploration, mining, and environmental protection sectors as a source of employment
	New Brunswick Partners Building Futures project	Assisting and encouraging participating women formerly on Social Assistance to continue apprenticeship training in order to obtain employment as skilled journey-persons in non traditional trades
<b>Strengthened Management Measures</b>	Identification of Champions for Sustainable Development	Champions for Sustainable Development are identified and play a leadership role to implement the Strategy
	Development of an Action Plan to implement the Sustainable Development Strategy	Action Plan is developed with milestones and timelines for the deliverables in the Strategy
	Development of a internal Communication Plan	Employees of the Department learn about various aspects of the Strategy
	Organizing lectures and other awareness activities in the Department	Increased levels of awareness is created among the employees
	Delivery of Sustainable Development Leadership training course modules for policy analysts in partnership with Canada School of Public Service and Health Canada	Sustainable development training modules for policy analysts are developed to start the training process
	Conducting Training Sessions with Administrative Assistants for green procurement	Increased awareness is created among administrative staff for green procurement
	Reporting results to the Parliament	Through departmental reporting processes, results are reported to the Parliament

**Table 11** Internal Audits and Evaluation**HRSDC and Service Canada**

At this time, the HRSDC and Service Canada Internal Audit Plans as well as the HRSDC and Service Canada Evaluation Plans are being developed, with approval anticipated in early 2007–2008. The audit plan will meet the requirements of the 2006 Treasury Board's Policy on Internal Audit and align with the Program Activity Architecture. The Evaluation plans will be developed based on a number of risk factors:

- **For HRSDC:** program spending, Treasury Board Secretariat requirements, timing of last impact evaluation, Government priority, public interest and program complexity.
- **For Service Canada:** link to transformational priorities, *Federal Accountability Act* and Treasury Board Secretariat requirements, joint evaluation requirement with policy departments, timing of last evaluation and service delivery spending.

Below is a listing of audit and evaluation projects, identified in the 2006–2007 Transitional Plans which will be carried over into 2007–2008. Several of these projects are nearing completion and will be presented to the respective Management Audit and Evaluation Committee for review and approval in the coming year.

**HRSDC Internal Audit**

Name of Internal Audit	Audit Type	Status	Expected Completion Date
Occupational Safety and Health	Assurance	Field work in progress	Spring 2007
World Urban Forum	Program Audit	Program Audit at Field work stage	Spring 2007
Values and Ethics	Assurance	Terms of Reference being developed	Summer 2007
Understanding the Early Years	Early Implementation Review	Field work completed Draft report under development	Spring 2007
International Agreements and Operations	Assurance (Program Design/Policy & Compliance)	Planning phase Field work to commence Winter 2007	Summer 2007
Gs & Cs – Proposal Assessment Process	Assurance (Compliance)	To be launched	Fall 2007
Gs & Cs – Claims and Payment Processing	Assurance (Compliance)	To be launched	Fall 2007
Canada Pension Plan – Retirement	Assurance (Program Design/Policy)	To be launched	Fall 2007

**Please Note:** Once approved, HRSDC evaluations are posted on the website listed below.  
[http://www.hrsdc.gc.ca/en/gateways/nav/left\\_nav/publications.shtml](http://www.hrsdc.gc.ca/en/gateways/nav/left_nav/publications.shtml)

**Service Canada Internal Audit**

Service Canada's internal audit function is entering its second year of operation. It is positioned to accomplish its goal to provide Service Canada, in compliance with the Treasury Board's Policy on Internal Audit, with a fully functioning and effective Internal Audit Branch by the end of 2008. As well, Service Canada will establish a Risk-based Audit Plan for 2007–2008.

**Table 11** Internal Audits and Evaluation (*continued*)

This plan will outline key audit activities that will evaluate and contribute to the improvement of risk management, control, and governance processes within Service Canada. The Annual Audit Plan will be presented to senior management and be approved by the Audit and Evaluation Committee early in the new fiscal year. Several audit projects will be carried over from the 2006–2007 fiscal year as outlined below:

- Annual Audit of the Old Age Security Program Expenditures for 2006–2007 Fiscal Year;
- Review of General Computer Controls;
- Review of the Old Age Security Process;
- Review of Compensation and Benefits;
- Review of the Procurement Process;
- Review of the G&C Process;
- Review of the Accounts Receivable Process;
- Review of the Other Processes in the Departmental Financial Statements;
- Financial and activity Monitoring;
- Aboriginal Human Resources Development Agreements;
- Spot Audits;
- Forensic Audits/Special Services;
- System Under Development Audit – Canada Pension Plan / Old Age Security Information, Technology Renewal.

**HRSDC Evaluation**

Name of Evaluation	Evaluation Type	Status	Expected Completion Date
5-week Seasonal Work Pilot	Summative	Results analysis in progress	Summer 2007
Evaluation of New-entrants and Re-entrants	Formative	Methodology development phase	Summer 2007
Three Pilot Projects – Seasonal Workers	Summative	Methodology development phase	Winter 2008
Evaluation of Canada/ New Brunswick Labour Market Development Agreement	Summative	Results analysis in progress, will be completed by Spring 2007	Summer 2007
Evaluation of Canada/ Nova Scotia Labour Market Development Agreement	Summative	Methodology development phase	Winter 2007
Evaluation of Canada/ Prince Edward Island Labour Market Development Agreement	Summative	Methodology development phase	Winter 2007
Evaluation of Canada/ Manitoba Labour Market Development Agreement	Summative	Terms of Reference in progress	Summer 2008

**Table 11** Internal Audits and Evaluation (continued)

Name of Evaluation	Evaluation Type	Status	Expected Completion Date
Evaluation of Canada/ Alberta Labour Market Development Agreement	Summative	Validation of results	Summer 2007
Evaluation of Canada/ Saskatchewan Labour Market Development Agreement	Summative	Results analysis in progress	Summer 2007
Evaluation of Canada/ Yukon Labour Market Development Agreement	Summative	Methodology development phase	Spring 2008
Evaluation of Canada/ NTWT Labour Market Development Agreement	Summative	Terms of Reference in progress	Fall 2008
Evaluation of Aboriginal Human Resources Development Agreements	Formative	Results analysis in progress	Fall 2007
Evaluation of Aboriginal Human Resources Development Agreements	Formative	Terms of reference in progress	Spring 2008
Evaluation of Aboriginal Skills and Employment Partnerships	Formative	Results analysis in progress	Fall 2007
Evaluation of Voisey's Bay Pilot Project	Formative	Results analysis in progress	Summer 2007
Evaluation of Youth Employment Strategy – Phase II	Summative	Terms of Reference in progress	Winter 2007
Sector Council Program Evaluation – Phase II	Summative	Methodology development phase	Fall 2007
Training Centre Infrastructure Fund Pilot Program	Summative	Methodology development phase	Winter 2007
Workplace Skills Innovation Initiative	Baseline Data Collection	Methodology development phase	Summer 2007
Evaluation of Canada Student Loans Program	Interim	Formative	Summer 2007
Evaluation of Office of Learning Technologies	Summative	Results analysis in progress	Summer 2007
Evaluation of Canada Education Savings Grant	Summative	Methodology development phase	Winter 2007

**Table 11** Internal Audits and Evaluation (*continued*)

Name of Evaluation	Evaluation Type	Status	Expected Completion Date
Evaluation of Occupational Health and Safety	Formative	Terms of reference in progress	Spring 2008
Evaluation of Workplace Equity	Strategic	Results analysis in progress	Summer 2007
Evaluation of Fed Workers Compensation Program	Formative	Project being re-scoped	Summer 2007
International Trade Labour Program Evaluation	Formative	Results analysis in progress	Summer 2007
Evaluation of the Opportunities Fund for Persons with Disabilities – Phase II	Summative	Results analysis in progress	Winter 2007
Evaluation of the Social Development Partnerships Program	Summative	Methodology development phase	Winter 2007
Evaluation of the Manitoba Labour Market Agreements for Persons with Disabilities	Formative	Contract has been signed, Methodology is in progress	Winter 2007
Evaluation of the Prince Edward Island Labour Market Agreements for Persons with Disabilities	Summative	Terms of Reference in progress	Winter 2007
Evaluation of the Nova Scotia Labour Market Agreements for Persons with Disabilities	Summative	Terms of Reference in progress	Winter 2007
Evaluation of New Horizons for Seniors	Formative	Methodology development phase	Spring 2008
Evaluation of Guaranteed Income Supplement Take up	Special Initiative	Methodology development phase	Summer 2008
Evaluation of Canada Pension Plan – Disability	Summative	Methodology development phase	Summer 2008
Evaluation of Old Age Security	Summative	Methodology development phase	Fall 2008
Evaluation of Understanding the Early Years Initiative	Formative	Terms of Reference in progress	Spring 2008

**Table 11** Internal Audits and Evaluation (*continued*)

Name of Evaluation	Evaluation Type	Status	Expected Completion Date
Universal Child Care Benefits	Evaluation Framework	Terms of Reference in progress	Summer 2007
Enabling Fund Official Language	Formative	Terms of Reference in progress	Winter 2007
Evaluation of Voluntary Sector Initiatives – Phase I	Summative	Results analysis in progress	Summer 2007
Evaluation of Voluntary Sector Initiatives – Phase II	Summative	Results analysis in progress	Winter 2007
Evaluation of the Voluntary Sector Strategy	Evaluation Framework	Terms of Reference in progress	Summer 2007

**Please Note:** Once approved, HRSDC evaluations are posted on the website listed below.  
[http://www.hrsdc.gc.ca/en/gateways/nav/left\\_nav/publications.shtml](http://www.hrsdc.gc.ca/en/gateways/nav/left_nav/publications.shtml)

### Service Canada Evaluation

Evaluation was a newly created function within Service Canada late in the 2005–2006 fiscal year. In 2006–2007, considerable effort was devoted to building evaluation capacity and the development of a risk-based evaluation plan following extensive internal and external consultations and reviews. Early versions of the plan were reviewed and discussed by the Audit and Evaluation Committee (April 2006), and other senior management committees in May and July 2006 before the 2006–2007 plan was approved at the Audit and Evaluation Committee in October 2006.

In 2006–2007, evaluation effort was targeted towards obtaining lessons learned and early impacts arising from new service delivery offerings (Pleasure Craft Licensing and Passport Receiving Agent), pilot initiatives (Multi-Language Service Initiative) and client segment strategies (Persons with Disabilities). Evaluations now underway in Service Canada examine program relevance and will provide early findings of results achieved on clients served and the organization. Additionally, they are focused on providing lessons learned that can be used in developing future service delivery offerings that target the fulfillment of Service Canada's vision of excellence in service delivery to contribute to better policy outcomes for Canadians. As Service Canada builds its evaluation capacity, the range of evaluations covering services and programs will expand to meet the requirements of the *Federal Accountability Act* and the TBS Evaluation Policy.

**Table 11** Internal Audits and Evaluation (*continued*)

The following table provides an initial listing of evaluations started in 2006–2007 that will carry-over into the 2007–2008 fiscal year:

Name of Evaluation	Evaluation Type	Status	Expected Completion Date
Multi-Language Service Initiative Pilot	Framework Pilot Evaluation	Fieldwork Starting March 06	March 2007 Fall 2007
Passports (Phase I) (Phase II)	Framework Formative and Implementation	Underway Starting early 2006–2007	March 2007 Fall 2007
Pleasure Craft Licensing	Formative/Lessons Learned	Fieldwork	May 2007
In-Person Service Experience Model	Formative and Summative Evaluation of Pilots	Preliminary Methodology Developed	TBD

# Specified Purpose Accounts

## Introduction to Specified Purpose Accounts

**S**pecified Purpose Accounts consist of special categories of revenues and expenditures. They report transactions of certain accounts where enabling legislation requires that revenues be earmarked and that related payments and expenditures be charged against such revenues. The transactions of these accounts are to be accounted for separately.

HRSDC is responsible for the stewardship of four such accounts:

- the Employment Insurance Account;
- the Canada Pension Plan;
- the Government Annuities Account; and
- the Civil Service Insurance Fund.

The Employment Insurance Account is a **consolidated** Specified Purpose Accounts and is included in the financial reporting of the Government of Canada. Consolidated Specified Purpose Accounts are used principally where the activities are similar in nature to departmental activities and the transactions do not represent liabilities to third parties but, in essence, constitute Government revenues and expenditures.

The Canada Pension Plan is a Specified Purpose Accounts but is **not consolidated** as part of the Government of Canada financial statements. It is under joint control of the Government and participating provinces. As administrator, the Government's authority to spend is limited to the balance of the Plan.

The Government Annuities Account is a **consolidated** Specified Purpose Accounts and is included in the financial reporting of the Government of Canada. It was established by the *Government Annuities Act*, and modified by the *Government Annuities Improvement Act*, which discontinued sales of annuities in 1975. The account is valued on an actuarial basis each year, with the deficit or surplus charged or credited to the Consolidated Revenue Fund.

The Civil Service Insurance Fund is a **consolidated** Specified Purpose Accounts and is included in the financial reporting of the Government of Canada. It was established by the *Civil Service Insurance Act*. Pursuant to subsection 16(3) of the *Civil Service Insurance Regulations*, the amount of actuarial deficits is transferred from the Consolidated Revenue Fund to the Civil Service Insurance Account in order to balance the assets and liabilities of the program.

## Employment Insurance Account

### Description

The Employment Insurance Account was established in the Accounts of Canada by the *Employment Insurance Act* to record all amounts received or paid out under that Act. The *Employment Insurance Act* provides short-term financial relief and other assistance to eligible workers. The program covers all workers in an employer-employee relationship. Self-employed fishers are also included under special regulation of the *Employment Insurance Act*.

Employment Insurance provides:

- **Income Benefits** under Part I of the *Employment Insurance Act* provide temporary income support to claimants, including self-employed fishers, while they look for work. This includes work-sharing agreements for temporary work shortages to allow employees to receive pro-rated Employment Insurance benefits while working for part of a week, thus avoiding layoffs. Employment Insurance also provides four types of special benefits: maternity benefits, payable to biological mothers for work missed as a result of pregnancy and childbirth; parental benefits, payable to both biological and adoptive parents for the purpose of caring for a new born or adopted child; sickness benefits, payable to claimants who are too ill to work; and compassionate care benefits, payable to claimants who provide care to a gravely ill or dying family member.



- **Employment Benefits** under Part II of the *Employment Insurance Act* through a set of Employment Benefits and Support Measures that can be tailored to meet the needs of individuals and local circumstances. The Government of Canada has Labour Market Development Agreements with the governments of the provinces and territories. These enable provincial and territorial governments to assume direct responsibility for the design and delivery of these benefits or to take part in co-management arrangements with the federal government.

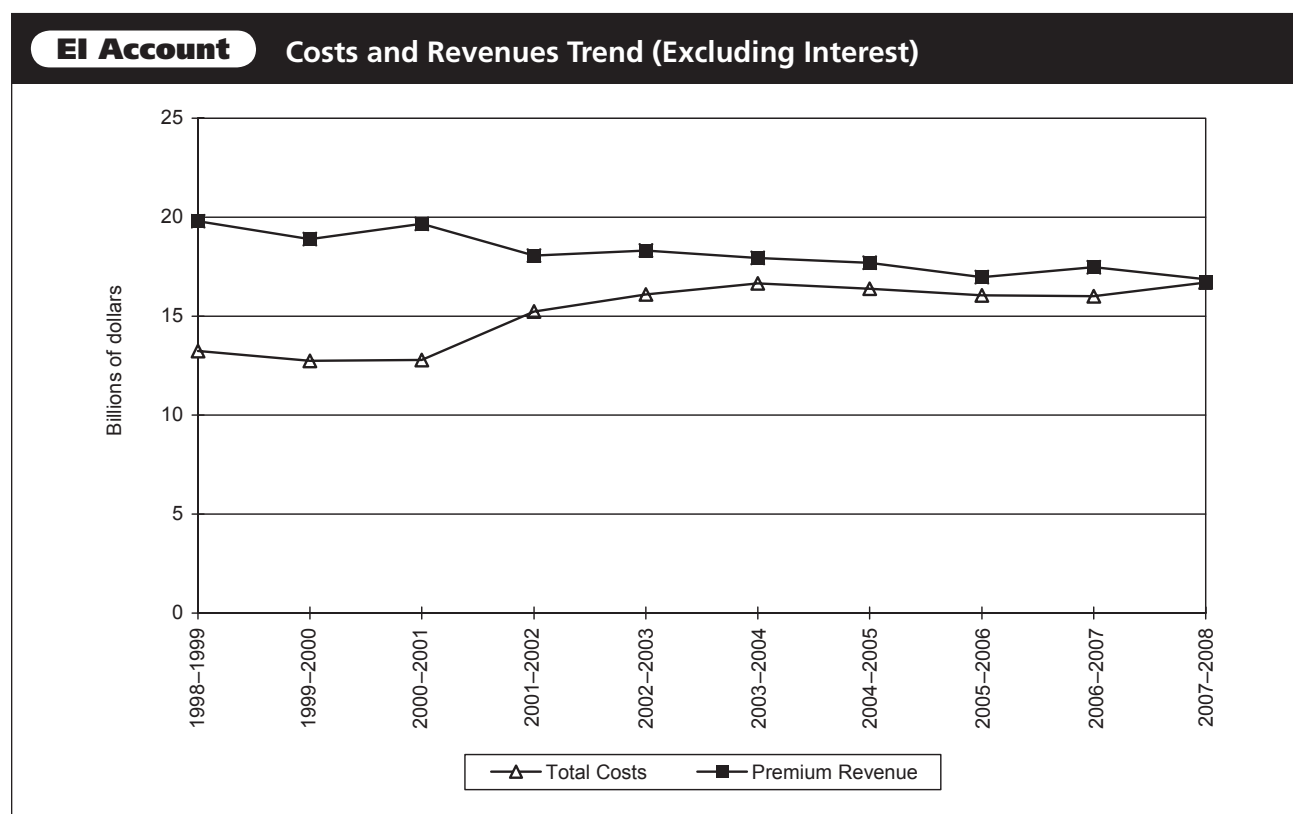
Employers and workers pay all costs associated with Employment Insurance through premiums. Benefits and administrative costs are paid out of the Consolidated Revenue Fund and charged to

the Employment Insurance Account. A surplus in the Account generates notional interest at a rate established by the Minister of Finance, which is currently set at 90% of the monthly average of the three-month Treasury bill rate.

### Financial Summary

The Employment Insurance premium rate for the calendar year 2007 was set on an expected break-even basis on November 6, 2006 by the Employment Insurance Commission in accordance with the *Employment Insurance Act*. The 2007–2008 total revenues of \$16.6 billion forecasted during Fall 2006 are expected to correspond to the costs of \$16.6 billion also forecasted in Fall 2006.

The following chart summarizes trends in total costs and revenues of the Employment Insurance Account from 1998–1999 to 2007–2008.



The table below summarizes the Employment Insurance premiums and expenditures from 2004–2005 financial results to 2007–2008.

<b>EI Account</b>		<b>Summary – Premiums and Expenditures</b>			
(millions of dollars)		<b>Actual</b>		<b>Forecast</b>	<b>Forecast<sup>a</sup> As of Oct 13, 2006</b>
		<b>2004-2005</b>	<b>2005-2006</b>	<b>2006-2007</b>	<b>2007-2008</b>
<b>Expenditures</b>					
EI Benefits					
Income Benefits		12,681	12,402	12,028	<b>12,752</b>
EBSM		2,067	2,016	2,138	<b>2,177</b>
<b>Total EI Benefits</b>		<b>14,748</b>	<b>14,418</b>	<b>14,166</b>	<b>14,928</b>
Administrative Costs		1,542	1,576	1,631	<b>1,614</b>
Doubtful Accounts		95	56	55	<b>57</b>
<b>Sub-Total</b>		<b>16,385</b>	<b>16,050</b>	<b>15,851</b>	<b>16,599</b>
<b>EI Premiums and Penalties</b>					
Premium Revenue		17,655	16,917	17,383	<b>16,554</b>
Penalties		51	50	60	<b>45</b>
<b>Sub-Total</b>		<b>17,706</b>	<b>16,967</b>	<b>17,443</b>	<b>16,599</b>
<b>Variance</b>		<b>1,321</b>	<b>917</b>	<b>1,592</b>	<b>-</b>

<sup>a</sup> Forecasts are as of October 13, 2006 when the Chief Actuary submitted his report on the premium rate to the Employment Insurance Commission.

**Notes**

<sup>1</sup> The Employment Insurance premiums reported in the summary financial statements of the Government of Canada exclude the premium contributions made by the Government of Canada as an employer.

<sup>2</sup> Totals may not add due to rounding.

## Benefit Payments

Benefits in 2007–2008 are expected to reach \$14.8 billion<sup>18</sup>, consisting of \$12.6 billion for Income Benefits and \$2.1 billion for Employment Benefits and Support Measures.

### Income Benefits

Employment Insurance Income Benefits include regular, special, work-sharing and fishers' benefits.<sup>19</sup> Major aspects of these benefits are as follows.

### Regular Benefits

#### Entrance Requirements to Qualify for Benefits

- Most claimants require 420 to 700 hours of work during their qualifying period, from full-time or part-time work, whether with one employer or several. The exact number of hours required, called the "variable entrance requirement", is determined

by the rate of unemployment in a claimant's region at the time he or she applies for benefits. In general, the higher the rate of unemployment, the fewer hours of work required to qualify.

- People who have just entered the labour market ("new entrants") and those returning to the labour force after an absence ("re-entrants") require 910 hours of work. However, if they worked at least 490 hours in the preceding 12 months, or received at least one week of maternity or parental benefits in the four years before that, they will be eligible under normal rules the following year.

#### Determining the Benefit Rate and Entitlement

- Claimants for regular benefits may receive benefits for 14 to 45 weeks, depending upon their hours of insurable employment and the regional unemployment rate.
- Claimants' weekly benefits are 55% of their average insurable earnings during the last

<sup>18</sup> Total Employment Insurance Benefits equal to \$14,784 million, the sum of \$12,641 million in Income Benefits and \$2,143 million in Employment Benefits and Support Measures

<sup>19</sup> For more details refer to the Employment Insurance website at <http://www.hrsdc.gc.ca/en/gateways/topics/tyt-gxr.shtml>

26 weeks, up to a maximum of \$423, based on the maximum yearly insurable earnings of \$40,000. The average insurable earnings are based on the actual weeks of work, subject to a minimum divisor that is tied to the regional rate of unemployment.

- Claimants with a combined family income of less than \$25,921 and who qualify for the Canada Child Tax Benefit receive a Family Supplement based upon:
  - the net family income;
  - the number of dependent children; and
  - the ages of those dependent children.
- The benefit rate for claimants who receive a Family Supplement can be increased to a maximum of 80% of the claimant's average weekly insurable earnings, up to the maximum weekly benefit of \$423.

### Special Benefits

Claims for sickness, maternity, parental, or compassionate care benefits require 600 hours of work, and are not affected by the new entrant/re-entrant rule. All claimants may receive sickness benefits for up to 15 weeks. Parental benefits of 35 weeks are available for biological and adoptive parents in addition to the 15 weeks of maternity benefits available to biological mothers. Compassionate care benefits of up to 6 weeks are available to eligible workers who take a temporary absence from work to provide care for a gravely ill family member who has a significant risk of death within a 26 week period.

On March 1, 2005 the Government of Canada and the Government of Quebec signed the final

agreement on Quebec Parental Insurance Plan. As of January 2006, Quebec residents claim maternity and parental benefits from the Quebec provincial government.

### Work Sharing

Claimants may receive benefits while on work-sharing agreements. These agreements between HRSDC, employees and employers avoid temporary layoffs by combining partial Employment Insurance benefits with reduced workweeks. They normally last from 6 to 26 weeks.

### Fishers' Benefits

The benefit rate for claims for fishers' benefits depend on the earnings from fishing and the regional rate of unemployment, via the minimum divisor. All fisher claims have a 31-week maximum qualifying period and a fixed entitlement of 26 weeks of benefits. These can be claimed from October 1<sup>st</sup> to June 15<sup>th</sup> for summer fishers' benefits and April 1<sup>st</sup> to December 15<sup>th</sup> for winter fishers' benefits. Fishers can file claims for both seasons.

### Benefit Repayments

When the net annual income of Employment Insurance claimants exceeds 1.25 times the maximum yearly insurable earnings ("the repayment threshold"), they have to repay the lesser of 30% ("the repayment rate") of the net excess income or 30% of the amount of total benefits other than special benefits paid. In addition, first-time claimants of regular or fishing benefits are exempt from benefit repayment.

<b>EI Income Benefits</b>		<b>Expenditures</b>		
(millions of dollars)	<b>Actual</b>		<b>Forecast</b>	<b>Planned Spending</b>
	<b>2004-2005</b>	<b>2005-2006</b>	<b>2006-2007</b>	<b>2007-2008</b>
<b>Income Benefits</b>				
Regular	8,669	8,411	8,472	8,927
Sickness	797	835	895	940
Maternity	925	903	775	808
Parental	2,112	2,064	1,765	1,837
Compassionate Care	7	8	10	12
Fishing	313	285	266	276
Work Sharing	11	13	9	15
Benefit Repayments	(153)	(117)	(164)	(174)
<b>Total Income Benefits</b>	<b>12,681</b>	<b>12,402</b>	<b>12,028</b>	<b>12,641</b>

**Note:** Totals may not add due to rounding.

## Factors Affecting Income Benefits

	Actual		Forecast	Planned Spending	%
	2004-2005	2005-2006	2006-2007	2007-2008	Change
Income Benefits (\$ million)	12,681	12,402	12,028	<b>12,641</b>	5.1%
Average Monthly Beneficiaries (000's)	819	788	737	<b>755</b>	2.4%
Benefit Rate (\$/week)	299	302	314	<b>322</b>	2.5%

## Employment Benefits and Support Measures

The **Employment Benefits** include Skills Development, Job Creation Partnerships, Self-Employment and Targeted Wage Subsidies.

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

Part II of the *Employment Insurance Act* also authorizes the federal government to make payments to the governments of the provinces and territories for

implementing programs similar to Employment Benefits and Support Measures. The planned federal contribution to provinces and territories (i.e., New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, Northwest Territories and Nunavut) under Labour Market Development Agreements is \$1,418 million for 2007–2008.

The total planned spending for Employment Benefits and Support Measures in 2007–2008 is set at \$2,143 million.

## Employment Benefits and Support Measures

(millions of dollars)	Actual		Forecast	Planned Spending <sup>a</sup>
	2004-2005	2005-2006	2006-2007	2007-2008
Job Creation Partnerships	71	54	50	
Skills Development	429	410	384	
Self-Employment	115	107	92	
Targeted Wage Subsidies	48	42	39	
Employment Assistance	324	322	290	
Labour Market Partnerships	173	177	169	
Research & Innovation	17	15	43	
<b>Total HRSDC Programs</b>	<b>1,176</b>	<b>1,127</b>	<b>1,067</b>	<b>725</b>
Transfers to Provinces and Territories	891	889	1,071	<b>1,418</b>
<b>Total</b>	<b>2,067</b>	<b>2,016</b>	<b>2,138</b>	<b>2,143</b>

<sup>a</sup> Breakdown by component is not available, as spending will be guided by local labour market needs. Breakdown by provinces/territories is provided in the EI Part II – 2007–2008 Expenditure Plan.

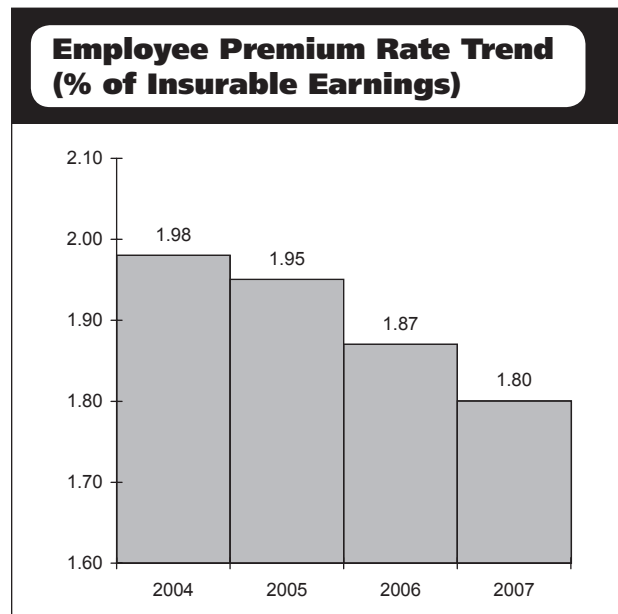
**Note:** Totals may not add due to rounding.

## Premiums

Premiums are collected from insured employees and their employers to cover the program costs over a business cycle, based on a yearly premium rate and employees' insurable earnings. The factors affecting the premiums are further explained below.

### Premium Rate

Under the current rate-setting process, the Chief Actuary is required to annually calculate, on a forward-looking basis, the estimated break-even rate for the coming year based on the most current forecast values of the relevant economic variables provided by the Minister of Finance. The forward-looking basis means that past surpluses, deficits, and the notional interest credited to the Employment Insurance Account do not enter into the calculation of the "break-even" premium rate. For 2007, the Commission set the employee rate at 1.80% of insurable earnings, a reduction from the 2006 rate of 1.87%. The corresponding employer rate is 2.52%, a reduction from 2.62% in 2006.



### Maximum Yearly Insurable Earnings

Premiums are paid on all employment earnings of insured employees up to the Maximum Yearly Insurable Earnings. The Chief Actuary has calculated the Maximum Yearly Insurable Earnings for 2007 as being \$40,000, up \$1,000 from the 2006 level. The Maximum Yearly Insurable Earnings had been set at

\$39,000 until the average wage in Canada caught up to it, which has now happened. Maximum Yearly Insurable Earnings will now grow with Canada's projected average annual earnings.

### Premium Reduction

Employers with qualified wage-loss insurance plans are entitled to premium reductions. They are required to share this reduction with their employees.

Additionally, due to Quebec Parental Insurance Plan, the premium rate for employees in Quebec will be reduced to 1.46% in 2007 and the corresponding rate for employers to 2.04%.

### Premium Refund

- Workers with annual earnings of \$2,000 or less can receive a refund of their Employment Insurance premiums through the income tax system.

Employment Insurance premiums are refunded to employees when their insurable earnings are in excess of the maximum yearly insurable earnings.

### Interest Earned

Section 76 of the *Employment Insurance Act* stipulates that the Minister of Finance may authorize the payment of interest on the balance in the Employment Insurance Account in accordance with such terms and conditions and at such rates as the Minister of Finance may establish, and the interest, which is currently set at 90% of the three-month Treasury bill rate, shall be credited to the Employment Insurance Account and charged to the Consolidated Revenue Fund. Interest is calculated monthly, based on the 30-day average of the daily balance in the Account.

Interest is charged on overdue accounts receivable, caused through misrepresentation, in accordance with Treasury Board regulations. The interest rate used in this calculation is the average Bank of Canada discount rate for the previous month plus 3.0%.

## Interest Earned

(millions of dollars)	Actual		Forecast	Planned Spending
	2004-2005	2005-2006	2006-2007	2007-2008
<b>Sources</b>				
Account Balance	968	1,324	1,932	<b>1,961</b>
Accounts Receivable	27	28	34	<b>36</b>
<b>Total</b>	<b>995</b>	<b>1,352</b>	<b>1,966</b>	<b>1,997</b>

Interest earned is expected to increase slightly to \$2.0 billion despite lower expected interest rates for 2007–2008 due to the higher cumulative surplus, which totalled \$50.8 billion as of March 31, 2006.

## Administrative Costs

Section 77 of the *Employment Insurance Act* specifies that the costs of administering the *Act* are to be charged to the Employment Insurance Account.

The Minister of Human Resources and Social Development is responsible for reporting on the Employment Insurance Program to Parliament. However, the Canada Revenue Agency, which collects premiums and benefit repayments and provides

decisions on insurability under the *Act*, shares the administration of the Program. Treasury Board Secretariat and the Department of Justice all supply services that support management and delivery of programs under the *Employment Insurance Act*.

The administrative costs that provincial and territorial governments incur to administer Employment Benefits and Support Measures under the Labour Market Development Agreements are also charged to the Employment Insurance Account.

The \$1,581 million Employment Insurance administrative costs are the initial approved resources for 2007–2008, which is less than the final spending authority for 2006–2007.

## Administrative Costs

(millions of dollars)	Actual		Forecast	Planned Spending
	2004-2005	2005-2006	2006-2007	2007-2008
Federal	1,458	1,494	1,526	<b>1,438</b>
Provincial	92	92	112	<b>156</b>
Recovery	(8)	(9)	(8)	<b>(12)</b>
<b>Total</b>	<b>1,542</b>	<b>1,576</b>	<b>1,631</b>	<b>1,581</b>

Note: Totals may not add due to rounding.

# Canada Pension Plan

## Description

The Canada Pension Plan is a contributory, earnings-related social insurance program. It is a joint federal-provincial plan that operates throughout Canada, except in Quebec, which has its own comparable plan. The Canada Pension Plan provides for a variety of benefits based on life changes. Best known for its retirement pensions, the Canada Pension Plan also provides benefits for surviving partners and children of Canada Pension Plan contributors, persons with disabilities and their children, and a one-time maximum benefit of up to \$2,500 in the event of the death of a contributor.

As a contributory plan, contributors are employees or self-employed persons generally between the ages of 18 and 70, who earn at least a minimum amount (\$3,500) during a calendar year. Benefits are calculated based on how much and for how long a contributor has paid into the Canada Pension Plan. Benefits are not paid automatically — everyone must apply and provide proof of eligibility.

Approximately 12 million Canadians over the age of 18 currently contribute annually to the Plan and approximately 4.2 million Canadians will receive benefits during 2007–2008.

## Benefit Payments

### Retirement Pensions

Contributors may begin receiving Canada Pension Plan retirement pensions as early as age 60 or delay

receipt until age 70. Applicants who are between 60 and 65 must have stopped working or earn below a specified level when they begin to receive the retirement pension. Once that person starts receiving the Canada Pension Plan pension, he/she can earn any amount without affecting the Canada Pension Plan pension. However, contributions are not made to the Canada Pension Plan on any future earnings. Contributors over age 65 need not have stopped working to qualify.

The amount of each contributor's pension depends on how much and for how long he/she has contributed and at what age he/she begins to draw the benefits. Pensions are adjusted by 0.5 percent for each month before or after age 65 from the time a person begins to receive his/her pension. Contributors who begin receiving a retirement pension at age 60 will receive 70% of the amount that would otherwise 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 and common-law partners who are at least 60 years of age can share their retirement benefits earned during the period of cohabitation as long as they remain together. This may result in tax savings. If only one spouse is a Canada Pension Plan contributor, the pension can be shared between the two spouses. The overall benefits paid do not increase or decrease with pension sharing.

### Disability Benefits

Disability benefits are payable to contributors who meet the minimum contributory requirements and whose disability is "severe and prolonged", as defined

### CPP Benefit Payments by Category and Type

(millions of dollars)	Actual		Forecast	Planned Spending
	2004-2005	2005-2006	2006-2007	2007-2008
<b>Retirement pensions</b>	16,795	17,664	18,657	19,693
Disability benefits				
Disability pensions	2,921	3,105	3,165	3,345
Benefits to children of disabled contributors	257	268	272	279
<b>Disability benefits total</b>	<b>3,178</b>	<b>3,373</b>	<b>3,437</b>	<b>3,624</b>
Survivor benefits				
Surviving spouse or common law partner's benefits	3,327	3,459	3,554	3,664
Orphans' benefits	215	218	220	224
Death benefits	248	263	268	275
<b>Survivor benefits total</b>	<b>3,790</b>	<b>3,940</b>	<b>4,042</b>	<b>4,163</b>
<b>TOTAL</b>	<b>23,763</b>	<b>24,977</b>	<b>26,136</b>	<b>27,480</b>

in the legislation. Such a disability would prevent them from working regularly at any job in a substantially gainful manner for a prolonged period of time. In order to ensure that benefits are only paid to eligible beneficiaries, periodic reassessments are carried out. Support is also provided to clients who try to return to regular gainful employment. Children of Canada Pension Plan – disability beneficiaries are also eligible for a flat rate monthly benefit up to the age of 18, or up to age 25 if attending school full-time. As of December 2006, there were just over 305,000 beneficiaries and 89,000 children receiving monthly benefits.

### Survivor's Benefits

A contributor's surviving spouse/common-law partner may be eligible for a monthly benefit if the contributor has contributed for a minimum period and, if at the time of the contributor's death, the spouse/common-law partner 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/common-law partner remarries. Monthly benefits are also payable on behalf of the children of Canada Pension Plan contributors 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 full time. A lump-sum benefit is also available to the estate of the deceased contributor provided the minimum contributory requirements have been met.

### Determining the Benefit Rate

Canada Pension Plan benefits are largely related to earnings. Benefits are adjusted in January of each year to reflect increases in the average cost of living, as

measured by the Consumer Price Index. Benefits such as children's benefits are not based on earnings; they are a fixed amount. Disability and survivor benefits contain a fixed-rate or flat rate portion in addition to an earnings-related portion.

### Administrative Expenses

Human Resources and Social Development Canada, Finance Canada, the Canada Revenue Agency, Public Works and Government Services Canada, the Royal Canadian Mounted Police and the Office of the Superintendent of Financial Institutions supply services that support the management and delivery of the Canada Pension Plan.

Costs incurred by these departments and agencies in administering the Plan are recoverable from the Account based on the costing principles approved by Treasury Board. Essentially, those principles are that costs must be incurred because of Canada Pension Plan responsibilities and must be traceable. Administrative expenses for 2007–2008 are estimated at \$402.2 million, representing a decrease of 2.9% from the forecast for 2006–2007.

Benefits delivery staff and processes are extremely efficient in getting benefits into the hands of Canada Pension Plan contributors. In 2006–2007, the total cost for administering and delivering Canada Pension Plan benefits is approximately 1.6% of the total forecasted benefit payments.



## CPP Administrative Expenses by Department

(millions of dollars)	Actual		Forecast	Spending
	2004-2005	2005-2006	2006-2007	2007-2008
<b>Social Development Canada</b>				
Plan administration, operations, records and accommodation	224.0	240.5	-	-
<b>Human Resources and Skills Development Canada</b>				
In-person services for applicants and beneficiarie	6.6	15.3	-	-
<b>Human Resources and Social Development Canada</b>				
Plan administration, operations, records and accommodation	-	-	262.8	249.2
<b>EI Account</b> - Refunding of EI Account in relation to assignment of Social Insurance numbers and maintenance of the central index	2.7	3.3	3.0	4.2
<b>Treasury Board Secretariat</b>				
Insurance premiums and recoverable contributions to the Employee Benefit Plan	39.0	30.1	29.0	27.5
<b>Public Works and Government Services</b>				
Cheque issue, EDP services	15.8	16.1	15.2	15.6
<b>Royal Canadian Mounted Police</b>				
Investigation of contraventions	-	0.3	0.3	0.3
<b>Canada Revenue Agency</b>				
Collection of contributions	96.5	100.8	102.1	103.2
<b>Office of the Superintendent of Financial Institutions</b>				
Actuarial services	1.3	1.4	1.5	1.9
<b>Finance</b>				
Investment services	0.4	0.4	0.3	0.3
<b>TOTAL</b>	<b>386.4</b>	<b>408.3</b>	<b>414.2</b>	<b>402.2</b>

## Revenues

The Canada Pension Plan is financed through mandatory contributions from employees, employers and self-employed persons, as well as from investment income. Contributions are paid on the portion of a person's earnings that falls between a specified minimum (the Year's Basic Exemption) and maximum (the Year's Maximum Pensionable Earnings) amounts. The minimum remains constant at \$3,500, while the maximum amount is linked to the average Canadian industrial wage and is adjusted annually.

No contributions are made once a contributor begins to receive a Canada Pension Plan retirement pension, while receiving a disability pension or reaches the age of 70. Disbursements include the payment of Canada Pension Plan benefits and administrative expenditures associated with managing the program.

When it was introduced in 1966, the Canada Pension Plan was designed as a pay-as-you-go plan, with a small reserve. This meant that the benefits for one generation would be paid largely from the contributions of later generations. However, demographic and economic developments and changes to benefits in the 30 years that followed resulted in significantly higher costs. It became clear that to continue to finance the program on a pay-as-you-go basis would have meant imposing a high financial burden on Canadians in the work force during those years. Plan administrators chose instead to change the funding approach of the Plan to a hybrid of pay-as-you-go and full-funding.

In 1998, the federal and provincial governments introduced "steady-state" financing. Under steady-state financing, the contribution rate was increased incrementally, from 5.6% in 1996, to 9.9% in 2003, and remains at that rate. The Office of the Superintendent of Financial Institutions' 21<sup>st</sup> Actuarial Report on the sustainability of the Canada Pension Plan states that the actual steady-state contribution rate is 9.8% of contributory earnings. This rate represents the lowest rate sufficient to sustain the Plan without further increase and is 0.1% lower than the legislated 9.9% contribution rate. With the 9.9% legislated contribution rate, the assets are expected to

increase significantly over the next 17 years, with the ratio of assets to the following year's expenditures growing from 3.1 in 2004 to 5.6 by 2021.<sup>20</sup>

This approach will generate a level of contributions between 2001 and 2021 that exceeds the benefits paid out every year during that period. Funds not immediately required to pay benefits are transferred to the Canada Pension Plan Investment Board for investment in financial markets. Over time, this will create a large enough reserve to help pay the costs that are expected as more and more baby-boomers retire.

Adoption of this diversified funding approach has made the Canadian retirement income system less vulnerable to changes in economic and demographic conditions and a leading edge example of public pension plan management in the world.

## Investment Income

Income is earned on the investments in equities, real estate and money market securities as well as interest earned by bonds.

## Financial Accountability

The Canada Pension Plan and its resources are divided among three components:

- The **Canada Pension Plan Account** was established to record the contributions, interest, pensions and benefits and administrative expenditures of the Plan. In September 2004, the Operating Reserve<sup>21</sup> in the Canada Pension Plan Account began to be transferred to the Canada Pension Plan Investment Board and was completed in August 2005. As well, since September 2004, the Canada Pension Plan Investment Board receives any excess funds not needed to pay for Canada Pension Plan benefits and expenses based on weekly, monthly and 6-month forecasts generated by the Canada Pension Plan Accounting personnel.

<sup>20</sup> Office of the Chief Actuary. *Actuarial Report (21<sup>st</sup>) on the Canada Pension Plan as at 31 December 2003*. Ottawa: Office of the Superintendent of Financial Institutions Canada. 2004. p. 10

<sup>21</sup> The reserve is made up of an amount equivalent to 3 months worth of Canada Pension Plan benefits and expenses.

- The **Canada Pension Plan Investment Fund** was established to record investments in the securities of the provinces, territories and Canada. Following the adoption of Bill C-3 in April 2004, the Canada Pension Plan Investment Fund will gradually be transferred to the Canada Pension Plan Investment Board over a period of 3 years. The transfer of the Canada Pension Plan Investment Fund started May 1, 2004 and will end on April 1, 2007. On that day, the Canada Pension Plan Investment Fund will cease to exist.
- The **Canada Pension Plan Investment Board** is an arm's length Crown Corporation established by an Act of Parliament in December 1997. It began operations in March 1999 to help the Canada Pension Plan achieve steady-state funding by investing funds not required by the Canada Pension Plan to pay current pensions and earning investment returns on funds transferred from the Canada Pension Plan Account.<sup>22</sup> The Board is accountable to the public and governments through regular reports. It is subject to broadly the same investment rules as other pension funds in Canada.

## Financial Summary

Benefit payments are expected to reach \$27.5 billion in 2007–2008, an increase of \$1.4 billion or 5.1% over 2006–2007. This increase reflects forecasts of client population and average benefit payments.

In 2007–2008, it is expected that there will be a net increase in client population of 3.4% and a net increase in average benefit payments of 1.7%.

The following table summarizes the financial results for the Canada Pension Plan from 2004–2005 to 2007–2008. In 2002–2003, the Government of Canada changed its basis of accounting from the modified accrual accounting to the full accrual basis of accounting. This change in accounting policy has been applied retroactively and the financial statements have been restated accordingly.

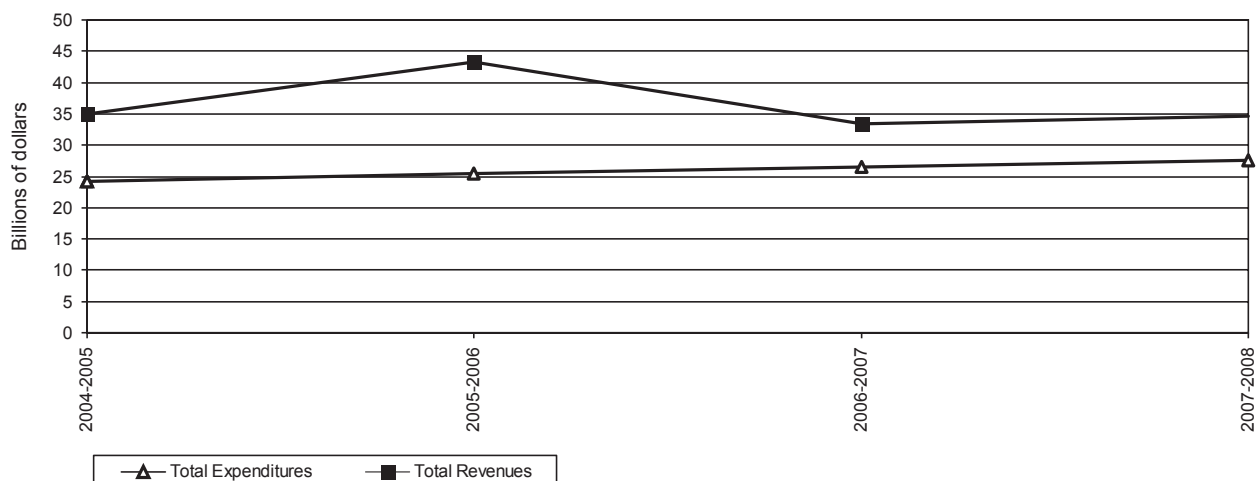
As well, following the adoption of Bill C-3 during 2003–2004, the evaluation of the provincial, territorial and federal bonds was changed from cost to fair value. The change in accounting policy has been applied retroactively and the financial statements have been restated to reflect this.

The Canada Pension Plan cumulative balance is expected to increase to approximately \$112 billion by March 31, 2008. At present, the Canada Pension Plan has a fund equal to 4 times the benefits and this is expected to grow to about 5.6 times by 2021.

The following figures summarize trends in total revenues and expenditures of the Account and its status from 2004–2005 to 2007–2008.

<sup>22</sup> Information about the Canada Pension Plan Investment Board can be found at <http://www.cppib.ca>

## Trends in Total Revenues and Expenditures of the Account and its status from 2004-2005 to 2007-2008



### CPP Summary

	Actual		Forecast	Planned Spending
	2004-2005	2005-2006	2006-2007	2007-2008
(millions of dollars)				
<b>Revenue</b>				
Contributions	28,941	30,117	31,395	32,900
Investment Income				
Canada Pension Plan	2,070	1,093	514	6
CPP Investment Board <sup>1</sup>	4,983	12,139	1,459	1,736
CPP Investment Fund <sup>2</sup>	(945)	(254)	N/A	-
Total Investment Income	6,108	12,978	1,973	1,742
<b>Total Revenue</b>	<b>35,049</b>	<b>43,095</b>	<b>33,368</b>	<b>34,642</b>
<b>Expenditures</b>				
Benefit payments	23,763	24,977	26,136	27,480
Administrative expenses	386	408	414	402
<b>Total Expenditures</b>	<b>24,149</b>	<b>25,385</b>	<b>26,550</b>	<b>27,882</b>
<b>Increase</b>	<b>10,900</b>	<b>17,710</b>	<b>6,818</b>	<b>6,760</b>
<b>Year-end balances</b>	<b>83,411</b>	<b>101,121</b>	<b>107,939</b>	<b>114,699</b>

<sup>1</sup> Canada Pension Plan Investment Board actual amounts are based on their audited financial statements. The CPP Investment Board invests mainly in equities. However, as at April 1, 2007, the bonds held in the Investment Fund will have been completely transferred. Therefore, the investment income will be made up of the interest from the bonds as well as the change in fair values of other varied equity investments as of that date. It is difficult to forecast a future fair value therefore the investment income for the year 2006-2007 and 2007-2008 only include the interest from the bonds held by the CPP Investment Board.

<sup>2</sup> The Canada Pension Plan Investment Fund is made up of provincial, territorial and government bonds. Since March 31, 2004, these are valued at fair value. The revenue of the Fund is made up of the interest from the bonds as well as the change in fair values of these investments. The interest income from the Investment Fund is presented under "Canada Pension Plan" of this section. It is difficult to forecast a future fair value, therefore the investment income for the year 2006-2007 is not yet available. As at April 1, 2007, the Investment Fund will cease to exist as all the rights and titles of the bonds will have been transferred to the CPP Investment Board.

## Long-Term Forecast

The Canada Pension Plan legislation requires a schedule of contribution rates with a review every three years by the federal and provincial finance ministers. The review determines whether any adjustments to the schedule are necessary. If so, the adjustments are implemented through legislation or agreement among finance ministers, or automatically under a formula that ensures that the contribution rate will be sufficient to sustain the Plan in the face of an aging population. 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.

The table shows the forecast of revenues and expenditures affecting the Canada Pension Plan for the period between December 31, 2010 and December 31, 2035, based on the Office of the Superintendent of Financial Institutions' Actuarial Report (21<sup>st</sup>) on the Canada Pension Plan as at December 31, 2003. The Assets/Expenditures Ratio reflects the size of the year-end assets relative to the expenditures.

### Forecast of Revenues and Expenditures

Year	Contribution	Contributions	Investment		Assets at Dec. 31	Assets/ Expenditure ratio
	Rate %		Earnings	Expenditures		
\$ millions						
2010	9.90	36,128	8,982	31,868	146,795	4.37
2015	9.90	45,579	14,635	42,022	226,815	5.09
2020	9.90	57,537	21,497	56,253	332,116	5.57
2025	9.90	71,145	29,177	74,887	454,613	5.75
2030	9.90	88,011	37,958	97,015	591,404	5.81
2035	9.90	109,468	48,500	122,246	754,965	5.91

Source: 21<sup>st</sup> Actuarial Report from the Office of the Superintendent of Financial Institutions Canada.

# Government Annuities Account

This account was established by the *Government Annuities Act*, and modified by the *Government Annuities Improvement Act*, which discontinued sales of annuities in 1975. The account is valued on an actuarial basis each year, with the deficit charged or surplus credited to the Consolidated Revenue Fund.

The purpose of the *Government Annuities Act* was to assist Canadians to provide for their later years, by the purchase of Government annuities. The *Government Annuities Improvement Act* increased the rate of return and flexibility of Government annuity contracts.

Income consists of premiums received, funds reclaimed from the Consolidated Revenue Fund for previously untraceable annuitants, earned interest and any transfer needed to cover the actuarial deficit. Payments and other charges represent matured annuities, the commuted value of death benefits, premium refunds and withdrawals, and actuarial surpluses and unclaimed items transferred to non-tax revenues. The amounts of unclaimed annuities, related to untraceable annuitants, are transferred to non-tax revenues.

As of March 31, 2006, there were 2,400 outstanding deferred annuities, the last of which will come into payment around 2030.

<b>Government Annuities account</b>		<b>Receipts and Disbursements</b>			
		<u>Actual</u>		<u>Forecast</u>	<u>Planned Spending</u>
(millions of dollars)		<b>2004-2005</b>	<b>2005-2006</b>	<b>2006-2007</b>	<b>2007-2008</b>
<b>Expenditures</b>					
<b>Actuarial Liabilities –</b>					
	<b>Balance at beginning of year</b>	<b>405.8</b>	<b>377.2</b>	<b>347.2</b>	<b>321.9</b>
	Income	26.3	24.5	24.3	22.5
	Payments and other charges	54.6	51.0	47.9	45.0
	Excess of Payments and other charges over income for the year	28.3	26.5	23.6	22.5
	Actuarial Surplus	0.3	3.5	1.7	1.5
<b>Actuarial Liabilities –</b>					
	<b>Balance at year-end</b>	<b>377.2</b>	<b>347.2</b>	<b>321.9</b>	<b>297.9</b>

## Civil Service Insurance Fund

This account was established by the *Civil Service Insurance Act*, under which the Minister of Finance could contract with permanent employees in the public service for the payment of certain death benefits. No new contracts have been entered into since 1954 when the Supplementary Death Benefit Plan for the Public Service and Canadian Forces was introduced as part of the *Public Service Superannuation Act* and the *Canadian Forces Superannuation Act*, respectively. As of April 1997, the Department of Human Resources Development assumed the responsibility for the administration and the actuarial valuation of the *Civil Service Insurance Act*.

The number of policies in force as of March 31, 2006 was 1,424 and the average age of the policy holders was 87.0 years. Receipts and other credits consist of premiums and an amount (charged to expenditures) which is transferred from the Consolidated Revenue Fund in order to balance the assets and actuarial liabilities of the program. Payments and other charges consist of death benefits, settlement annuities paid to beneficiaries and premium refunds.

Pursuant to subsection 16(3) of the *Civil Service Insurance Regulations*, any deficit will be credited to the Account from the Consolidated Revenue Fund.

<b>Civil Service Insurance Fund</b>		<b>Receipts and Disbursements</b>		
(millions of dollars)	<u>Actual</u>		<u>Forecast</u>	<u>Planned Spending</u>
	<b>2004-2005</b>	<b>2005-2006</b>	<b>2006-2007</b>	<b>2007-2008</b>
<b>Revenue</b>				
<b>Opening Balance</b>	<b>7.1</b>	<b>6.6</b>	<b>6.3</b>	<b>6.0</b>
Receipts and other credits	0.0	0.1	0.1	0.1
Payments and other charges	0.5	0.4	0.4	0.3
Excess of payments and other charges over income for the year	0.5	0.3	0.3	0.2
<b>Closing Balance</b>	<b>6.6</b>	<b>6.3</b>	<b>6.0</b>	<b>5.8</b>

# Employment Insurance Part II

## 2007 – 2008 Expenditure Plan

### Background

Part II of the *Employment Insurance Act* commits the federal government to work in concert with provinces and territories in designing and implementing active employment programs that would be more effective in helping unemployed Canadians integrate into the labour market. These programs are called Employment Benefits and Support Measures.

In accordance with the Government of Canada's 1996 offer to provinces and territories to enter into bilateral partnerships on labour market activities, Labour Market Development Agreements have been concluded with all the provinces and territories. The Labour Market Development Agreements involve two types of arrangements:

- Co-management agreements where Human Resources and Social Development Canada, formerly Human Resources and Skills Development Canada, and the province or territory jointly assume responsibility for the planning and design of Employment Benefits and Support Measures, while HRSDC continues to deliver programs and services through its service delivery network. Such agreements have been concluded with Newfoundland and Labrador, Prince Edward Island, British Columbia and the Yukon. There is also a strategic partnership agreement that is a variation of co-management in Nova Scotia;
- Transfer agreements where the province or territory assumes responsibility for the design and delivery of active employment programs similar to Employment Benefits and Support Measures. Such agreements have been concluded with New Brunswick, Quebec, Ontario, Manitoba, Saskatchewan, Alberta, the Northwest Territories and Nunavut. These similar programs are contributions under Section 63 of the *Employment Insurance Act*.

In addition to locally and regionally delivered Employment Benefits and Support Measures and similar programs, pan-Canadian activities that are national or multi-regional in scope or purpose are delivered by HRSDC in any of the provinces and

territories through its Employment Benefits and Support Measures and similar programs.

Pan-Canadian activities include programming similar to Employment Benefits and Support Measures delivered by Aboriginal organizations under Aboriginal Human Resources Development Agreements.

### Employment Benefits and Support Measures

The five employment benefits are:

- **Targeted Wage Subsidies** to encourage employers to hire individuals who they would not normally hire in the absence of a subsidy.
- **Self-Employment** to help individuals to create jobs for themselves by starting a business.
- **Job Creation Partnerships** to provide individuals with opportunities through which they can gain work experience which leads to on-going employment.
- **Skills Development** to help individuals to obtain skills for employment, ranging from basic to advanced skills through direct assistance to individuals, and, where applicable, contributions to provinces/territories or provincially/territorially funded training institutions to cover costs not included in tuition fees.
- **Targeted Earnings Supplements** to encourage individuals to accept employment by offering them financial incentives.

It should be noted that of the employment benefits listed above, Targeted Earnings Supplements has not yet been implemented. Pilot research projects were conducted to evaluate the effectiveness of Targeted Earnings Supplements but HRSDC has not yet arrived at a feasible design.

Eligibility to receive assistance under the employment benefits extends to persons who are insured participants as defined in Section 58 of the *Employment Insurance Act*, i.e., active Employment



Insurance claimants and former Employment Insurance claimants (individuals who have had Employment Insurance claims that ended in the past three years or those who have received maternity or parental benefits in the past five years after which they left the labour market to care for newborn or new adopted children).

Part II of the legislation also authorizes the establishment of support measures in support of the National Employment Service. The three measures are:

- **Employment Assistance Services** to assist organizations in the provision of employment services to unemployed persons.
- **Labour Market Partnerships** to encourage and support employers, employee and/or employer associations and communities to improve their capacity for dealing with human resource requirements and implementing labour force adjustments.
- **Research and Innovation** to support activities which identify better ways of helping persons prepare for or keep employment and be productive participants in the labour force.

## Financial Data

For 2007–2008, the Employment Insurance Part II expenditure authority of \$2.167 billion represents 0.5% of total estimated insurable earnings of \$428.921 billion. This represents a lower level of expenditures than the 0.8% ceiling imposed under the Act, which is estimated at \$3.431 billion in 2007–2008.

Some of the savings from Part I income benefits generated by the Employment Insurance reform are included in these funds to provide job opportunities and help Canadians get back to work more quickly. The amount of re investment reached maturity at \$800 million in 2000–2001.

### 2007–2008 Employment Insurance Plan

(millions of dollars)	Base	Re-Investment	Total Plan
Newfoundland and Labrador	59.3	73.1	132.4
Nova Scotia	50.7	30.3	81.0
New Brunswick	50.5	42.1	92.6
Prince Edward Island	16.7	10.0	26.7
Quebec	348.8	248.1	596.9
Ontario	345.1	184.1	529.2
Manitoba	36.4	10.2	46.6
Saskatchewan	29.0	9.9	38.9
Alberta	71.5	35.9	107.4
Northwest Territories	1.8	1.6	3.4
Nunavut	1.8	1.0	2.8
British Columbia	136.6	151.7	288.3
Yukon	1.8	2.0	3.8
	1,150.0	800.0	1,950.0
Pan-Canadian Responsibilities <sup>a</sup>	193.1	0.0	193.1
<b>Funds available for Employment Benefits and Support Measures</b>	<b>1,343.1</b>	<b>800.0</b>	<b>2,143.1</b>

<sup>a</sup> Funds earmarked for Pan-Canadian priorities, such as Aboriginal programming, sectoral and innovations projects. The amount is net of \$12.8 million funds permanently converted to operating costs and of resources identified in the Plan as part of Government Wide Reallocation exercise.

## Expected Results

An accountability framework has been developed that respects the legal responsibility of the Minister of Human Resources and Skills Development for the Employment Insurance Account. Key indicators will measure both the short and long term outcomes of Employment Benefits and Support Measures.

It is expected that 360,000 active and former claimants will be assisted in 2007–2008. These estimates may change, depending on labour market conditions and agreements achieved with provinces and territories.

Formative evaluations were completed during the initial implementation of Labour Market Development Agreements programming – between the years 1999 to 2002. They were focused on program design, delivery, implementation issues, client satisfaction and short-term success.

More detailed information on the formative evaluations is available at:

[http://www11.hrdc-drhc.gc.ca/pls/edd/v\\_report.report\\_index](http://www11.hrdc-drhc.gc.ca/pls/edd/v_report.report_index)

Summative evaluations of Employment Benefits and Support Measures are aimed at providing information on the impact of Employment Benefits and Support Measures in helping participants prepare for, find and keep jobs. In addition to employment impacts, these evaluations examine a range of outcomes related to Employment Benefits and Support Measures participation including skills gains, job quality and increased self-sufficiency in relation to government income support assistance.

Evaluation results to-date (both from formative and summative studies) underscore the importance of the local socio-economic context and client characteristics on programming and program outcomes. Variances in local socio-economic situations appear to affect Employment Benefits and Support Measures implementation and effectiveness – suggesting the importance of tailoring programs to local needs to improve the outcomes of interventions.

### EBSM (EI Part II Activities)<sup>a</sup>

	Clients Employed/ Self-Employed	Unpaid Benefits	Active Claimants Served
Targeted Results 2005–2006 <sup>ab</sup>	217,622	\$837.9M	442,549
Actual Results 2005–2006	198,727	\$807.5M <sup>c</sup>	361,491 <sup>d</sup>
Targeted Results 2006–2007	199,763	\$765.1M	332,134
Expected Results 2007–2008	190,000 <sup>e</sup>	\$800.0M	360,000 <sup>f</sup>

<sup>a</sup> Exclusive of Employment Information Services. This table includes Aboriginal pan-Canadian Employment Benefits and Support Measures numbers which were not reported in this annex of the Employment Insurance Expenditure Plan (Part II) for 2005–2006.

<sup>b</sup> The targeted results for Clients Employed and Unpaid Benefits for 2004–2005 and 2005–2006 are the totals as submitted by the regions, provinces and territories. . “Clients served” includes Active EI claimants from all regions/provinces/territories, plus Former EI claimants from Quebec. The Quebec agreement requires that the province report on Active and Former EI claimants, as “Clients served.”

<sup>c</sup> Represents one count of unpaid benefits per client, to avoid the double counting of unpaid benefits of clients who participated in both Regular and Aboriginal pan-Canadian Employment Benefits and Support Measures.

<sup>d</sup> The Regular Employment Benefits and Support Measures clients served include Active Employment Insurance claimants from all regions, plus Former claimants from Quebec. The Quebec agreement requires that the province report on Active and Former Employment Insurance claimants, as “Clients served.” It also includes 7,948 Aboriginal pan-Canadian Employment Benefits and Support Measures clients served.

<sup>e</sup> Includes Regular EBSM (182,500) and the Aboriginal pan-Canadian EBSM (7,500).

<sup>f</sup> Includes Regular EBSM (341,500) and the Aboriginal pan-Canadian EBSM (18,500).

# Consolidated Report on Canada Student Loans

In August 2000, the Canada Student Loans Program was shifted from the risk-shared financing arrangements that had been in place with financial institutions between 1995 and July 2000 to a direct student loan financing plan.<sup>23</sup> This meant that the Program had to redesign the delivery mechanism in order to directly finance student loans. In the new arrangement, the Government of Canada provides the necessary funding to students and two service providers have contracts to administer the loans. As of March 2008, the Government of Canada will shift from two service provider contracts to one single service provider.

## Reporting Entity

The entity detailed in this report is the Canada Student Loans Program only and does not include departmental operations related to the delivery of the Canada Student Loans Program. Expenditures figures are primarily statutory in nature, made under the authority of the *Canada Student Loans Act* and the *Canada Student Financial Assistance Act*.

## Basis of Accounting

The financial figures are prepared in accordance with generally accepted accounting principles and as reflected in the *Public Sector Accounting Handbook* of the Canadian Institute of Chartered Accountants.

## Specific Accounting Policies

### Revenues

Two sources of revenue are reported: interest revenue on Direct Loans and recoveries on Guaranteed and Put Back Loans. Government accounting practices require that recoveries from both sources be credited to the government's Consolidated Revenue Fund. They do not appear along with the expenditures in

the Canada Student Loans Program accounts, but are reported separately in the financial statements of Human Resources and Social Development Canada and the government.

### Interest Revenue on Direct Loans

Borrowers are required to pay simple interest on their student loans once they leave full-time studies. At the time they leave school, students have the option of selecting a variable (prime + 2.5%) or fixed (prime + 5%) interest rate. The figures represent the interest accrued on the outstanding balance of the government-owned Direct Loans. Borrowers continue to pay the interest accruing on the guaranteed and risk-shared loans directly to the private lender holding these loans. Effective August 1, 2005, the weekly loan limit increased from \$165 per week to \$210 per week of study. As more funds are now available to students, total loan disbursements and interest revenue generated will continue to increase.

### Recoveries on Guaranteed Loans

The government reimburses the private lenders for any loans issued prior to August 1, 1995 that go into default (i.e., lenders claim any amount of principal and interest not repaid in full). The figures represent the recovery of principal and interest on these defaulted loans.

### Recoveries on Put-back Loans

Under the risk-shared agreements, the government will purchase from the participating financial institutions any loans issued between August 1, 1995 to July 31, 2000 that are in default of payments for at least 12 months after the period of study, that in aggregate, do not exceed 3% of the average monthly balance of the lender's outstanding student loans in repayments. The amount paid is set at 5% of the value of the loans in question. The figures represent the recovery of principal and interest on these loans.

<sup>23</sup> For further information on the Canada Student Loans Program, see [www.hrsdc.gc.ca/en/gateways/topics/cxp-gxr.shtml](http://www.hrsdc.gc.ca/en/gateways/topics/cxp-gxr.shtml)

## Canada Study Grants and Canada Access Grants

Canada Study Grants and Canada Access Grants improve access to post-secondary education by providing non-repayable financial assistance to post-secondary students. Four types of Canada Study Grants are available to assist: (1) students with permanent disabilities in order to meet disability-related educational expenses (up to \$8,000 annually); (2) students with dependants (up to \$3,120 for full-time students and up to \$1,920 for part-time students, annually); (3) high-need part-time students (up to \$1,200 annually); and (4) women in certain fields of Ph.D. studies (up to \$3,000 annually for up to three years). Two Canada Access Grants are available since August 1, 2005, to assist: (1) students from low-income families entering their first year of post-secondary studies (50% of tuition, up to \$3,000); and (2) students with permanent disabilities in order to assist with education and living expenses (up to \$2,000 annually).<sup>24</sup>

### Collection Costs

These amounts represent the cost of using private collection agencies to collect defaulted Canada Student Loans. The loans being collected include: risk-shared and guaranteed loans that have gone into default and for which the government has bought back from the private lender; and Direct Loans issued after July 31, 2000, that are returned to HRSDC by the third party service provider as having defaulted. As of August 1, 2005 the Canada Revenue Agency Non Tax Collections Directorate undertook the responsibility for the administration of the collection activities of the guaranteed, risk-shared and direct student loans.

### Service Provider Costs

Canada Student Loans Program uses third party service providers to administer loan origination, in-study loan management, post-studies repayment activities and debt management. This item represents the cost associated with these contracted services.

### Risk Premium

Risk premium represents part of the remuneration offered to lending institutions participating in the

risk-shared program from August 1, 1995 to July 31, 2000. The risk premium represents 5% of the value of loans being consolidated which is calculated and paid at the time students leave studies and go into repayment. In return, the lenders assume the risk associated with non-repayment of these loans.

### Put-Back

Subject to the provisions of the contracts with lending institutions, the government will purchase from a lender the student loans that are in default of payment for at least 12 months and that, in aggregate, do not exceed 3% of the average monthly balance of the lender's outstanding student loans in repayments. The amount paid is set at 5% of the value of the loans in question. The figures also include any refund made to participating financial institutions on the recoveries.

### Administrative Fees to Provinces and Territories

Pursuant to the *Canada Student Financial Assistance Act*, the government has entered into arrangements with nine provinces and one territory to facilitate the administration of the Canada Student Loans Program. They administer the application and needs assessment activities associated with federal student financial assistance and in return they are paid an administrative fee. As of August 1, 2005 administrative fees paid to provinces were increased to improve the compensation for their part in the administration of the Canada Student Loans Program.

### In-Study Interest Borrowing Expense

The capital needed to issue the Direct Loans is raised through the Department of Finance's general financing activities. The cost of borrowing this capital is recorded in the Department of Finance's overall financing operations. The figures represent the cost attributed to Canada Student Loans Program in support of Direct Loans while students are considered in study status. Weekly loan limits increased effective August 1, 2005. As more funds are now available to students, total loan disbursements have grown, and as a result the in-study interest borrowing expense will continue to rise.

<sup>24</sup> The new Canada Access Grant for Student with Permanent disabilities has replaced the Canada Study Grant for High-need Students with Permanent Disabilities.

## In-Repayment Interest Borrowing Expense

The capital needed to issue the Direct Loans is raised through the Department of Finance's general financing activities. The cost of borrowing this capital is recorded in the Department of Finance's overall financing operations. The figures represent the cost attributed to Canada Student Loans Program in support of Direct Loans while students are in repayment of their Canada Student Loans.

## In-Study Interest Subsidy

A central feature of federal student assistance is that student borrowers are not required to pay the interest on their student loans as long as they are in full-time study and, in the case of loans negotiated prior to August 1, 1993, for six months after the completion of studies. Under the guaranteed and risk-shared programs, the government pays the interest to the lending institutions on behalf of the student.

## Interest Relief

Assistance may be provided to cover loan interest and suspend payments on the principal of loans in repayment for up to 54 months for borrowers experiencing temporary difficulties repaying their loans. The shift from Guaranteed and Risk-Shared Loans to Direct Loans did not alter interest relief for loans in distress from the borrower's perspective; however, the method of recording associated costs changed. For loans issued prior to August 1, 2000, Canada Student Loans Program compensates lending institutions for lost interest equal to the accrued interest amount on loans under Interest Relief. For loans issued after August 1, 2000, an interest relief expense is recorded to offset the accrued interest on direct loans. Effective August 1, 2005 income thresholds used to determine Interest Relief eligibility increased in order to make Interest Relief accessible to a greater number of borrowers.

## Debt Reduction in Repayment

Debt Reduction in Repayment assists borrowers experiencing long-term difficulties repaying their loans. Debt Reduction in Repayment is a federal repayment assistance program through which the Government of Canada reduces a qualifying borrower's outstanding Canada Student Loans

principal to an affordable amount after Interest Relief has been exhausted and only after 5 years have passed since the borrower ceased to be a student. As of August 1, 2005, the maximum amount of Debt Reduction in Repayment assistance is \$26,000, which is available to eligible borrowers in an initial deduction of up to \$10,000, a second deduction of up to \$10,000 and a final deduction of up to \$6,000. For loans issued prior to August 1, 2000, Canada Student Loans Program pays the lending institutions the amount of student debt principal reduced by the Government of Canada under Debt Reduction in Repayment. For loans issued after August 1, 2000, the Government of Canada forgives a portion of the loan principal.

## Claims Paid and Loans Forgiven

From the beginning of the program in 1964 until July 31, 1995, the government fully guaranteed all loans issued to students by private lenders. The government reimburses private lenders for any of these loans that go into default (i.e., subject to specific criteria, lenders may claim any amount of principal and interest not repaid in full, after which the Canada Revenue Agency's Collection Services will attempt to recover these amounts).<sup>25</sup> The risk-shared arrangements also permitted loans issued from August 1, 1995 to July 31, 2000 to be guaranteed under specific circumstances. This item represents the costs associated with loan guarantees.

Pursuant to the *Canada Student Loans Act* and the *Canada Student Financial Assistance Act*, the government incurs the full amount of the unpaid principal plus accrued interest in the event of the death of the borrower or, if the borrower becomes permanently disabled and cannot repay the loan without undue hardship.

## Bad Debt Expense

Under Direct Loans, the government owns the loans issued to students and must record them as assets. As a result, generally accepted accounting principles require a provision be made for potential future losses associated with these loans. The provision must be made in the year the loans are issued even though the losses may occur many years later. The figures

<sup>25</sup> An announcement was made on August 1, 2005 which transfers collections activities previously carried out by Social Development Canada (SDC) to Canada Revenue Agency.

represent the annual adjustment to the provisions for Bad Debt and Debt Reduction in Repayment on Direct Loans.

### **Alternative Payments to Non-participating Provinces and Territories**

Provinces and territories may choose not to participate in the Canada Student Loans Program. These provinces and territories receive an alternative payment to assist in the cost of delivering a similar student financial assistance program.

### **Commitments**

For the 2007–2008 fiscal year, the expected cash flow for Service Provider contracts is: \$ 103.6 million. It is expected that the last option to extend the remainder of the contracts to March 31<sup>st</sup>, 2008 will be exercised.

## Consolidated Canada Student Loans Programs Combined Programs

	Actual			Forecast			Planned Spending <sup>e</sup>		
	2004–2005	2005–2006	2006–2007	2007–2008	2008–2009	2009–2010			
(millions of dollars)									
<b>Revenue</b>									
Interest Revenue on Direct Loans	226.6	315.7	370.4	445.3	497.9	549.5			
Recoveries On Guaranteed Loans	76.2	66.8	62.5	53.1	45.1	38.3			
Recoveries On Put-Back Loans	11.0	13.1	16.6	19.1	21.6	24.0			
<b>Total Revenue</b>	<b>313.8</b>	<b>395.6</b>	<b>449.5</b>	<b>517.5</b>	<b>564.6</b>	<b>611.8</b>			
<b>Expenses</b>									
<b>Transfer Payments</b>									
Canada Study Grants and Canada Access Grants	64.5	129.7	150.6	136.1	138.0	140.4			
<b>Loan Administration</b>									
Collection Costs <sup>a</sup>	14.8	13.6	18.5	21.0	23.3	23.3			
Service Bureau Costs	46.0	50.2	66.1	83.3	77.2	89.9			
Risk Premium	5.5	2.7	1.9	1.8	1.4	1.2			
Put-Back	4.2	4.3	4.8	5.4	5.6	5.7			
Administrative Fees to Provinces and Territories	9.4	13.9	14.2	14.2	14.2	14.3			
<b>Total Loan Administration Expenses</b>	<b>79.9</b>	<b>84.7</b>	<b>105.5</b>	<b>125.7</b>	<b>121.7</b>	<b>134.4</b>			
<b>Cost of Government Support</b>									
Benefits Provided to Students									
<i>In-Study Interest Borrowing Expense (Class A)<sup>b</sup></i>	163.8	159.3	179.1	187.5	199.1	215.1			
<i>In Repayment Interest Borrowing Expense (Class B)<sup>b</sup></i>	96.6	111.4	150.1	174.6	200.2	228.0			
<i>In-Study Interest Subsidy (Class A)</i>	16.1	12.1	11.9	9.2	6.1	3.9			
<i>Interest Relief</i>	63.2	67.2	87.1	84.4	84.6	84.5			
<i>Debt Reduction in Repayment</i>	27.1	31.4	24.3	24.5	12.8	7.0			
<i>Claims Paid &amp; Loans Forgiven</i>	27.7	24.8	27.5	24.7	23.9	23.2			
Bad Debt Expense <sup>c</sup>									
<i>Debt Reduction in Repayment Expense</i>	11.5	13.3	13.6	14.1	14.6	14.9			
<i>Bad Debt Expense</i>	456.2	297.2	328.2	354.5	380.9	399.1			
<b>Total Cost of Government Support Expenses</b>	<b>862.2</b>	<b>716.7</b>	<b>821.8</b>	<b>873.5</b>	<b>922.2</b>	<b>975.7</b>			
<b>Total Expenses</b>	<b>1,006.6</b>	<b>931.1</b>	<b>1,077.9</b>	<b>1,135.3</b>	<b>1,181.9</b>	<b>1,250.5</b>			
<b>Net Operating Results</b>	<b>692.8</b>	<b>535.5</b>	<b>628.4</b>	<b>617.8</b>	<b>617.3</b>	<b>638.7</b>			
Alternative Payments to Non-Participating Province and Territories <sup>d</sup>	175.8	158.2	141.8	172.6	177.9	186.0			
<b>Final Operating Results</b>	<b>868.6</b>	<b>693.7</b>	<b>770.2</b>	<b>790.4</b>	<b>795.2</b>	<b>824.7</b>			

<sup>a</sup> These costs are related to Canada Student Direct Loans but are now reported by Canada Revenue Agency.

<sup>b</sup> These costs are related to Canada Student Direct Loans but reported by the Department of Finance.

<sup>c</sup> This represents the annual expense adjustment to the Provisions for Bad Debt and Debt Reduction in Repayment as required under Accrual Accounting. The Bad Debt Expense figure for 2004–2005 includes an adjustment of \$257.1 million following the revised Bad Debt Provision Rate published by the Office of the Chief Actuary in the Actuarial Report on the Canada Student Loans Program as at July 31, 2004. This adjustment is retroactive to the beginning of the Direct Loans Regime (2000).

<sup>d</sup> The figures represent the annual expense recorded under the Accrual Accounting as opposed to the actual amount disbursed to the Non-Participating Province and Territories. The actual cash expense for Alternative Payments to Non-Participating Provinces and Territories for 2005–2006 was \$ 161.3 M.

<sup>e</sup> Includes amounts stemming from the Budget 2006 announcement.



## Consolidated Canada Student Loans Programs

### Direct Loans Only

	Actual			Forecast			Planned Spending <sup>e</sup>		
	2004–2005	2005–2006	2006–2007	2007–2008	2008–2009	2009–2010			
(millions of dollars)									
<b>Revenue</b>									
Interest Revenue on Direct Loans	226.6	315.7	370.4	445.3	497.9	549.5			
<b>Expenses</b>									
Transfer Payments									
Canada Study Grants and Canada Access Grants	64.5	129.7	150.6	136.1	138.0	140.4			
Loan Administration									
Collection Costs <sup>a</sup>	7.0	6.9	11.3	13.7	16.2	16.2			
Service Bureau Costs	46.0	50.2	66.1	83.3	77.2	89.9			
Administrative Fees to Provinces and Territories	9.4	13.9	14.2	14.2	14.2	14.3			
<b>Total Loan Administration Expenses</b>	<b>62.4</b>	<b>71.0</b>	<b>91.6</b>	<b>111.2</b>	<b>107.6</b>	<b>120.4</b>			
<b>Cost of Government Support</b>									
Benefits Provided to Students									
<i>In-Study Interest Borrowing Expense (Class A)</i> <sup>b</sup>	163.8	159.3	179.1	187.5	199.1	215.1			
<i>In Repayment Interest Borrowing Expense (Class B)</i> <sup>b</sup>	96.6	111.4	150.1	174.6	200.2	228.0			
<i>Interest Relief</i>	28.4	43.9	68.0	73.6	78.4	80.8			
<i>Loans Forgiven</i>	2.0	9.1	9.3	15.3	17.0	18.6			
Bad Debt Expense <sup>c</sup>	11.5	13.3	13.6	14.1	14.6	14.9			
<i>Debt Reduction in Repayment Expense</i>	456.2	297.2	328.2	354.5	380.9	399.1			
<i>Bad Debt Expense</i>									
<b>Total Cost of Government Support Expenses</b>	<b>758.5</b>	<b>634.2</b>	<b>748.3</b>	<b>819.6</b>	<b>890.2</b>	<b>956.5</b>			
<b>Total Expenses</b>	<b>885.4</b>	<b>834.9</b>	<b>990.5</b>	<b>1,066.9</b>	<b>1,135.8</b>	<b>1,217.3</b>			
<b>Net Operating Results</b>	<b>658.8</b>	<b>519.2</b>	<b>620.1</b>	<b>621.6</b>	<b>637.9</b>	<b>667.8</b>			
Alternative Payments to Non-Participating Province and Territories <sup>d</sup>	175.8	158.2	141.8	172.6	177.9	186.0			
<b>Final Operating Results</b>	<b>834.6</b>	<b>677.4</b>	<b>761.9</b>	<b>794.2</b>	<b>815.8</b>	<b>853.8</b>			

<sup>a</sup> These costs are related to Canada Student Direct Loans but are now reported by Canada Revenue Agency.

<sup>b</sup> These costs are related to Canada Student Direct Loans but reported by the Department of Finance.

<sup>c</sup> This represents the annual expense adjustment to the Provisions for Bad Debt and Debt Reduction in Repayment as required under Accrual Accounting. The Bad Debt Expense figure for 2004–2005 includes an adjustment of \$257.1 million following the revised Bad Debt Provision Rate published by the Office of the Chief Actuary in the Actuarial Report on the Canada Student Loans Program as at July 31, 2004. This adjustment is retroactive to the beginning of the Direct Loans Regime (2000).

<sup>d</sup> The figures represent the annual expense recorded under the Accrual Accounting as opposed to the actual amount disbursed to the Non-Participating Province and Territories. The actual cash expense for Alternative Payments to Non-Participating Provinces and Territories for 2005–2006 was \$ 161.3 M.

<sup>e</sup> Includes amounts stemming from the Budget 2006 announcement.

**Consolidated Canada Student Loans Programs****Risk-Shared and Guaranteed Loans Only**

	Actual					Forecast			Planned Spending			
	2004–2005	2005–2006	2006–2007	2007–2008	2008–2009	2009–2010	2004–2005	2005–2006	2006–2007	2007–2008	2008–2009	2009–2010
<b>(millions of dollars)</b>												
<b>Revenue</b>												
Recoveries On Guaranteed Loans	76.2	66.8	62.5	53.1	45.1	38.3						
Recoveries On Put-Back Loans	11.0	13.1	16.6	19.1	21.6	24.0						
<b>Total Revenue</b>	<b>87.2</b>	<b>79.9</b>	<b>79.1</b>	<b>72.2</b>	<b>66.7</b>	<b>62.3</b>						
<b>Expenses</b>												
Loan Administration												
Collection Costs <sup>a</sup>	7.8	6.7	7.2	7.3	7.1	7.1						
Risk Premium	5.5	2.7	1.9	1.8	1.4	1.2						
Put-Back	4.2	4.3	4.8	5.4	5.6	5.7						
<b>Total Loan Administration Expenses</b>	<b>17.5</b>	<b>13.7</b>	<b>13.9</b>	<b>14.5</b>	<b>14.1</b>	<b>14.0</b>						
Cost of Government Support												
Benefits Provided to Students												
<i>In-Study Interest Subsidy (Class A)</i>	16.1	12.1	11.9	9.2	6.1	3.9						
Interest Relief	34.8	23.3	19.1	10.8	6.2	3.7						
Debt Reduction in Repayment	27.1	31.4	24.3	24.5	12.8	7.0						
Claims Paid & Loans Forgiven	25.7	15.7	18.2	9.4	6.9	4.6						
<b>Total Cost of Government Support Expenses</b>	<b>103.7</b>	<b>82.5</b>	<b>73.5</b>	<b>53.9</b>	<b>32.0</b>	<b>19.2</b>						
<b>Total Expenses</b>	<b>121.2</b>	<b>96.2</b>	<b>87.4</b>	<b>68.4</b>	<b>46.1</b>	<b>33.2</b>						
<b>Net Operating Results</b>	<b>34.0</b>	<b>16.3</b>	<b>8.3</b>	<b>(3.8)</b>	<b>(20.6)</b>	<b>(29.1)</b>						

<sup>a</sup> These costs are related to Canada Student Direct Loans but are now reported by Canada Revenue Agency.



## **Section IV**

### **Other Items of Interest**

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# Detailed Program Description by Strategic Outcome

## **A. Policies and Programs that the Human Capital and Social Development Needs of Canadians**

### **Strategic Policy**

HRSDC focuses on addressing the social and human capital challenges of Canadians through strategic, innovative solutions. To move forward with implementing the Government's commitments in the area of human resources and social development, the Department develops foundational policy frameworks and strategies that enable the Department to identify emerging policy issues for Canadians.

### **Knowledge, Analysis, Audit and Evaluation**

HRSDC provides leadership in data management, research, dissemination and exchange, monitoring and reporting, and audit and evaluation to support strong accountability, innovative and responsive policies and programs and evidence-based decision-making by governments, public institutions, businesses, communities, families and citizens.

### **Public Affairs and Engagement**

The Department pursues engagement activities to develop better policies and programs by seeking Canadians' views and broadening knowledge and research.

## **B. Enhanced Canadian Productivity and Participation through Effective and Inclusive Labour Markets, Competitive Workplaces and Access to Learning**

### **Labour Market**

#### **Employment Insurance**

##### **Employment Insurance Income Benefits**

This program provides temporary financial assistance to unemployed Canadians (including self-employed fishers) while they look for work, participants in work-sharing agreements, and to Canadians who need to take a temporary absence from work for sickness, pregnancy and childbirth, caring for a newborn or adopted child, or to provide care or support to a gravely ill family member with a significant risk of death. Temporary income support is provided to unemployed workers under Part I of the *Employment Insurance Act*. Through an Agreement with the Government of Canada, as of January 2006, the province of Quebec provides its own maternity and parental coverage for its residents, rather than through the Employment Insurance program.

<http://www1.servicecanada.gc.ca/en/ei/menu/eihome.shtml>

#### **Labour Market Programs**

##### **Employment Benefits and Support Measures and Labour Market Development Agreements**

Part II of the *Employment Insurance Act* authorizes the design and implementation of Employment Benefits and Support Measures to help unemployed participants prepare for, find and keep employment.

Under the authority of the *Employment Insurance Act*, Labour Market Development Agreements have been signed with all provinces and territories, including a recent agreement with Ontario implemented January 1, 2007. Eight of these agreements are in the form of a transfer agreement under which six provinces and two territories have assumed responsibility for the design and delivery of provincial/territorial programs and services similar to Employment Benefits and Support Measures. Under co-management Labour Market Development Agreements in four provinces and one territory, the Employment Benefits and Support Measures are designed and managed jointly among Service Canada, HRSDC and the provinces/territory. Pan-Canadian programs maintained under HRSDC management are available to address labour market issues and priorities that are national or multi-regional in scope.

[http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/lmda-edmt/description\\_e.asp](http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/lmda-edmt/description_e.asp)

### **Aboriginal Human Resources Development Strategy**

The Aboriginal Human Resources Development Strategy is designed to assist Aboriginal people to prepare for, find and keep employment and builds Aboriginal capacity for human resources development. The Aboriginal Human Resources Development Strategy is delivered through agreements with 80 Aboriginal Human Resource Development Agreements holders across the country. The Aboriginal Human Resources Development Strategy integrates most of HRSDC's Aboriginal programming.

### **Aboriginal Skills and Employment Partnerships**

Complementary to the Aboriginal Human Resources Development Strategy, Aboriginal Skills and Employment Partnerships is a nationally managed program geared toward supporting collaboration among Aboriginal groups, the private sector and provincial/territorial governments. The goal of Aboriginal Skills and Employment Partnerships is to ensure sustainable employment for Aboriginal people in major, large-scale economic opportunities, (such as diamond mining, oil and gas exploration and development and major forestry initiatives) leading to long-term benefits for Aboriginal communities, families and individuals.

### **Youth Employment Strategy**

The Youth Employment Strategy programs ensure that Canada's youth are well prepared to participate and succeed in today's changing labour market. The Strategy is delivered in partnership with the private sector and non-governmental organizations through the collective efforts of twelve federal departments, agencies and corporations, with HRSDC in the lead role. Under the Strategy, youth employment initiatives target youth from 15 to 30 years of age who are unemployed or underemployed. This national strategy offers a broad range of initiatives under three programs: Skills Link, Summer Work Experience and Career Focus.

### **Labour Market Adjustment**

Activities are intended to support the objectives of an integrated labour market system and to ensure the right tools are in place to meet the needs of a flexible and expanding labour market.

### **Targeted Initiative for Older Workers**

Targeted Initiative for Older Workers is a two-year federal-provincial/territorial cost shared initiative to assist unemployed older workers in communities affected by significant downsizing or closures, or ongoing high unemployment, through programming aimed at reintegrating them into employment. The initiative is delivered through bilateral agreements with provinces and territories which are responsible for identifying affected communities, as well as the design and delivery of projects.

This interim initiative has been put in place while a feasibility study to evaluate current and potential measures to address the challenges faced by displaced older workers is undertaken.

<http://www.hrsdc.gc.ca/en/cs/sp/hrsd/eppd/tiow.shtml>

### **Official Language Minority Communities**

HRSDC helps to sustain the vitality of Official Language Minority Communities through a horizontal departmental initiative that provides policy direction and analysis across programs. The initiative's objective is to enhance human resources development, increase employability and community capacity building for the official language minority communities. The Department has six key priorities to address according to the Government of Canada Action Plan for Official Languages: Literacy, Youth Internships, the Enabling

Fund, Integration of French-speaking immigrants into the Canadian Labour Market, Child Care Pilot Projects and non-governmental organizations.

[http://www.hrsdc.gc.ca/en/gateways/nav/top\\_nav/program/solmc.shtml](http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/solmc.shtml)

## Workplace Skills

### Workplace Partnerships

Workplace Partnerships advance partnerships with industry and the learning system to ensure that Canadians have the skills and knowledge required for the workplace. These partnerships enable the private sector to invest in skills development issues as well as to strengthen apprenticeships systems in Canada, including the mobility of skilled trades' workers. The activities are divided into the following business lines/ programs:

#### Sector Council Program

Sector councils are permanent organizations that bring together representatives from key stakeholder groups in an industrial sector. Sector Council Program supports project-based activities proposed by Sector Councils and other national organizations (sector-like) working on skills and learning issues.

[http://www.hrsdc.gc.ca/en/gateways/nav/top\\_nav/program/spi.shtml](http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/spi.shtml)

#### Trades and Apprenticeship

This program implements the Trades and Apprenticeship Strategy and works with Service Canada to implement the Apprenticeship Incentive Grant. Trades and Apprenticeship also works with provinces and territories through the Canadian Council of Directors of Apprenticeship to facilitate and increase the mobility of skilled trades workers, and with public and private partners to strengthen apprenticeship systems in Canada.

[http://www.hrsdc.gc.ca/en/gateways/nav/top\\_nav/program/almi.shtml](http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/almi.shtml)

#### The Interprovincial Standards "Red Seal" Program

Through interprovincial standardization of training, and certification based on national occupational standards for the 49 Red Seal trades, this program facilitates the mobility of tradespeople between Canadian provinces and territories. Fully trained apprentices and certified journeypersons are able to

obtain a Red Seal endorsement on their Certificates of Qualification and Apprenticeship Completion by successfully completing an Interprovincial Standards Red Seal Examination.

[http://www.red-seal.ca/Site/index\\_e.htm](http://www.red-seal.ca/Site/index_e.htm)

#### The Workplace Skills Initiative

This program supports partnership-based project testing and evaluates innovative approaches to skills development for employed Canadians.

<http://www.hrsdc.gc.ca/en/ws/initiatives/wsi/index.shtml>

### Skills and Labour Market Information

Skills and Labour Market information is available to help employed and unemployed job seekers, people choosing a career, career practitioners, employment service providers, employers, education/learning institutions, and community development organizations make informed decisions related to skills, human resources, and the labour market. The activities are divided into three main business lines.

#### National Occupational Classification

An authoritative resource on occupational information in Canada, the National Occupational Classification describes the work performed by Canadians in the labour market. The National Occupational Classification contains the classification structure and descriptions of 520 occupational areas and includes over 30,000 occupational titles.

[http://www.sdc.gc.ca/en/hip/hrp/noc/noc\\_index.shtml](http://www.sdc.gc.ca/en/hip/hrp/noc/noc_index.shtml)

#### Essential Skills

Required for work, home and community, essential skills (such as reading, writing, oral communication, numeracy) provide the foundation for learning all other job-related skills, and for allowing people to be flexible and adapt to workplace and workforce changes. The Essential Skills Initiative aims to improve the essential skills levels of Canadians who are entering – or already in – the labour market. Partnerships with provinces/territories and other workplace stakeholders help to create awareness of essential skills, and to promote understanding and utilization of these skills in the workplace.

[http://www.hrsdc.gc.ca/en/hip/hrp/essential\\_skills/essential\\_skills\\_index.shtml](http://www.hrsdc.gc.ca/en/hip/hrp/essential_skills/essential_skills_index.shtml)

## Labour Market Information

Through Service Canada, Labour Market Information provides information on national and regional employment trends, local employment prospects, wage rates, skills and education required by occupation, and employment and training opportunities. Service Canada also offers job posting, job search, job alert and job matching services to job seekers and employers.

[http://www.hrsdc.gc.ca/en/gateways/nav/top\\_nav/program/lmi.shtml](http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/lmi.shtml)

<http://www.jobbank.gc.ca>

<http://www.labourmarketinformation.ca>

## The Foreign Workers and Immigrants Program

This program helps internationally-trained individuals integrate and participate in the Canadian labour market, as well as enhances interprovincial mobility of internationally and domestically trained workers. This work is done in conjunction with provinces, territories, partners and stakeholders across Canada, including other federal departments, industry, and regulatory bodies. Four main business lines support this program.

### Foreign Credential Recognition

Supports activities proposed by Sector Councils, industry groups, regulatory bodies, provinces/territories, and educational bodies that work on foreign credential assessment and recognition issues.

<http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/ws/programs/fcr/index.shtml&hs=hzp>

### Immigration Portal

Enhances the *Going to Canada* website by providing prospective immigrants, students, workers and newcomers with information, services and tools to help them make informed decisions about coming to Canada, and integrating into Canada's labour market and society.

<http://www.directioncanada.gc.ca/>

### Foreign Worker Program

Assists Canadian employers in meeting their human resource needs by facilitating the entry of temporary foreign workers into areas of the labour market with

demonstrated occupational shortages, while still considering the employers' efforts to hire and recruit Canadians.

[http://www.hrsdc.gc.ca/en/gateways/nav/top\\_nav/program/fw.shtml](http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/fw.shtml)

### Interprovincial Labour Mobility

Co-ordinates federal activity to improve interprovincial labour mobility under the Agreement on Internal Trade, so that workers who qualify in one province/territory can have their qualifications recognized in another.

## Learning

### Student Financial Assistance

*Canada Student Loans Program*, *Canada Access Grants* and the *Canada Study Grants*, promotes accessibility to post-secondary education for those with a demonstrated financial need by providing loans and grants to help lower financial barriers. The Program also offers debt management measures to borrowers to help with repayment. These include, Interest Relief, Debt Reduction in Repayment and loan forgiveness in the event of the permanent disability or death of a qualified borrower.

<http://www.hrsdc.gc.ca/en/gateways/topics/cxp-gxr.shtml>

<http://www.canlearn.ca/cgi-bin/gateway/canlearn/en/parent.asp>

### Canada Education Savings Program

The *Canada Education Savings Grant* includes the *Canada education Savings Grant* and the *Canada Learning Bond*. These programs provide grants to encourage Canadians to save for the post-secondary education of their children through Registered Education Savings Plans. The program provides Grants, is designed specifically to help low-income Canadian families to acquire education savings for their children.

<http://www.hrsdc.gc.ca/en/gateways/topics/cgs-gxr.shtml>

## Adult Learning, Literacy and Essential Skills Program

The *Adult Learning, Literacy and Essential Skills Program* works through non-statutory grants and contributions to reduce non-financial barriers related to adult learning, literacy and essential skills. This is achieved using four activity streams:

- Support generation, transfer, and application of knowledge in adult learning, literacy and essential skills
- Contribute to the development of innovative approaches in adult learning, literacy and essential skills
- Strengthen capacity of the adult learning, literacy and essential skills sectors
- Promote and increase awareness of the importance of adult learning, literacy and essential skills

<http://www.hrsdc.gc.ca/en/hip/lld/olt/ADULTLESP.shtml>

## International Academic Mobility

The *International Academic Mobility Initiative* advances the development of international skills and knowledge among Canadian students, and promotes international linkages among post-secondary education institutions.

[http://www.hrsdc.gc.ca/en/gateways/nav/top\\_nav/program/iam.shtml](http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/iam.shtml)

# C. Safe, Healthy, Fair, Stable, Cooperative, Productive Workplaces and Effective International Labour Standards

## Federal Mediation and Conciliation Service

This service is responsible for providing dispute resolution and dispute prevention assistance to trade unions and employers under the jurisdiction of Part I (Industrial Relations) of the *Canada Labour Code*. It fosters constructive labour-management relationships economy-wide. The Federal Mediation and Conciliation Service provides expert mediation and conciliation

assistance in approximately 300 collective bargaining disputes per year. It is also responsible for the administration of Ministerial appointments to resolve rights disputes under Part III (Labour Standards) of the *Canada Labour Code*. It also carries out in-depth research on current and emerging industrial relations issues.

[http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/lp/fmcs/11Federal\\_Mediation\\_and\\_Conciliation\\_Service.shtml&hs=](http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/lp/fmcs/11Federal_Mediation_and_Conciliation_Service.shtml&hs=)

## National Labour Operations

This operational area is responsible for the promotion, application and enforcement of workplace conditions that are safe, healthy, fair and equitable. In order to accomplish this, there are a number of Acts and programs that support these objectives. The purpose of Part II (Occupational Health and Safety) of the *Canada Labour Code* is to prevent workplace-related accidents and injury, including occupational diseases. The *Non-smokers' Health Act* is in place to prohibit smoking by any persons in any work space under the control of employers throughout the federal jurisdiction. The *Government Employees' Compensation Act* provides benefits to federal employees who sustain a work-related injury or occupational disease, and the *Merchant Seamen Compensation Act* provides benefits to injured merchant seamen and their survivors. Additionally, Fire Protection Services provides for the protection from fire hazards of federal properties and their occupants by administering and enforcing Treasury Board policies, as well as related codes and standards.

With respect to fair and equitable working conditions, Part III (Labour Standards) of the *Canada Labour Code* provides minimum standards for the payment of wages, as well as specified benefits and workplace policies and practices. The *Employment Equity Act* and the Federal Contractors Program for Employment Equity aim to remove barriers facing certain designated groups (women, Aboriginal peoples, persons with disabilities and visible minorities) in the labour market and reduce discrimination.

[http://www.hrsdc.gc.ca/en/gateways/nav/top\\_nav/program/labour.shtml](http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/labour.shtml)



## **International and Intergovernmental Labour Affairs**

This group manages the Labour Program's international, intergovernmental and Aboriginal labour affairs responsibilities. Specifically, International and Intergovernmental Labour Affairs oversees Canada's participation in international labour forums, such as the International Labour Organization, negotiates and implements international labour cooperation agreements and provides technical assistance to developing countries. Further, this area coordinates federal-provincial-territorial relations in the labour field. As well, it analyses and provides information on Canadian labour legislation to policy analysts, researchers and the general public. Further, it facilitates dialogue with Labour Program stakeholders and coordinates Labour program activities in Aboriginal communities.

[http://www.hrsdc.gc.ca/en/gateways/nav/top\\_nav/program/labour.shtml](http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/labour.shtml)

## **Workplace Policy and Information**

This Directorate conducts research and analysis on workplace and labour-related issues and their impact on Canadian social and economic development. It provides policy advice on such issues as they pertain to the Minister of Labour's federal jurisdiction and broader national mandates. Labour Policy and Workplace Information collects, analyses and disseminates information on workplace practices to support the Minister and advances the strategic priorities and mandate of the Labour Program. This group also informs client groups of workplace practices, including innovative practices to improve workplace relations and labour productivity.

[http://www.hrsdc.gc.ca/en/gateways/nav/top\\_nav/program/labour.shtml](http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/labour.shtml)

## **D. Enhanced Income Security, Access to Opportunities and Well-being for Individuals, Families and Communities**

### **Social Investment**

#### **Seniors and Pensions**

*Old Age Security Program* benefits provide basic income to Canadian citizens and residents who meet age, residence and legal status requirements. It is financed from Government of Canada general tax revenues and indexed quarterly to the Consumer Price Index. Old Age Security provides additional income-tested benefits for low-income individuals, namely the Guaranteed Income Supplement, the Allowance and the Allowance for the Survivor.

<http://www.hrsdc.gc.ca/en/gateways/topics/ozs-gxr.shtml>

*The Canada Pension Plan* is a joint federal-provincial plan that operates throughout Canada, except in Quebec which has its own comparable plan. *The Canada Pension Plan* provides for a variety of benefits based on life changes. Best known for its retirement pensions, the plan also provides benefits for surviving partners and children of contributors, people with disabilities and their children (a description of Canada Pension Plan – Disability is below), and a one-time maximum benefit of \$2,500 in the event of death.

<http://www.hrsdc.gc.ca/en/gateways/topics/cpr-gxr.shtml>

*The New Horizons for Seniors Program* supports local projects across Canada that encourage seniors to contribute to their communities through social participation and active living. The program encourages seniors to contribute their skills, experience and wisdom in support of social well-being in their communities, and promotes the ongoing involvement of seniors in their communities to reduce their risk of social isolation. Funding of this program also strengthens networks and associations among community members, community organizations, and governments; and enhance opportunities for building community capacity and partnerships to respond to existing or emerging social challenges.

<http://www.hrsdc.gc.ca/en/isp/horizons/toc.shtml>

## Disability Programs

*The Opportunities Fund for Persons with Disabilities* is designed to assist people with disabilities who are ineligible for employment programs available through the Employment Insurance program. Funding under this program assists eligible people with disabilities to prepare for and obtain employment or self-employment as well as to develop the skills necessary to maintain that new employment.

[http://www.hrsdc.gc.ca/en/epb/sid/cia/grants/of/desc\\_of.shtml](http://www.hrsdc.gc.ca/en/epb/sid/cia/grants/of/desc_of.shtml)

*Labour Market Agreements for Persons with Disabilities* are designed to improve the employment situation of Canadians with disabilities, by enhancing their employability, increasing the employment opportunities available to them, and building on their existing knowledge base. These agreements facilitate coordination in labour market programming targeted to people with disabilities through agreements with provinces.

[http://www.hrsdc.gc.ca/en/hip/odi/08\\_multilateralFramework.shtml](http://www.hrsdc.gc.ca/en/hip/odi/08_multilateralFramework.shtml)

## The Canada Pension Plan Disability

Benefits are payable to contributors who meet the minimum contributory requirements and whose disability is "severe and prolonged," as defined in the legislation; that is, a mental or physical disability that prevents them from working at any job at a substantially gainful level.

<http://www.hrsdc.gc.ca/en/gateways/topics/cdp-gxr.shtml>

## Community Development and Partnerships

The Social Development Partnerships Program is a broad-based program that makes investments under several distinct funding components to support Government priorities related to children and families, people with disabilities and other vulnerable populations. These investments are made with national and community-based organizations to enable them to develop new programs that will more effectively respond to the social well-being needs of Canadians.

[http://www.hrsdc.gc.ca/en/hip/sd/05\\_SDPP.shtml](http://www.hrsdc.gc.ca/en/hip/sd/05_SDPP.shtml)

## Official Language Minority Communities

This initiative makes investments with national francophone non-governmental organizations to create products that will promote linguistically and culturally relevant early childhood development programs and services in official language minority communities.

## Understanding the Early Years

*The Understanding the Early Years* helps communities across Canada better understand the needs of their young children and families. Understanding the Early Years is a national initiative providing communities with information about the development of their children, community and family factors influencing child development, and local resources available to support young children and their families.

Communities can use this information to create and deliver policies, programs, or investments that help their children thrive in the early years.

[http://www.hrsdc.gc.ca/en/hip/sd/300\\_UEYInfo.shtml](http://www.hrsdc.gc.ca/en/hip/sd/300_UEYInfo.shtml)

## Non-profit and Voluntary Sector

The Voluntary Sector Strategy makes investments in community non-profit organizations to foster social innovation and entrepreneurship and to achieve greater sustainability and self-sufficiency over the long term.

[http://www.hrsdc.gc.ca/en/hip/sd/06\\_vsi.shtml](http://www.hrsdc.gc.ca/en/hip/sd/06_vsi.shtml)

## Inter-country Adoption

The Intercountry Adoptions Services works with other federal departments, foreign governments and the provinces and territories as the lead federal department in matters related to inter-country adoptions.

[http://www.hrsdc.gc.ca/en/hip/sd/08\\_interAdopt.shtml](http://www.hrsdc.gc.ca/en/hip/sd/08_interAdopt.shtml)

## Children and Families

### Child Care

#### Canada's Universal Child Care Plan

In 2006, the Government of Canada introduced Canada's Universal Child Care Plan consisting of two key elements designed to give parents choice in child care so they can balance work and family life.

## Universal Child Care Benefit

In July 2006 families began to receive up to \$1,200 per year for each child under six, taxable in the hands of the lower-income spouse. Payments are made directly to parents so that they can choose the child care that is best for their children and their family's needs. The Universal Child Care Benefit is provided in addition to existing federal programs such as the Canada Child Tax Benefit and the National Child Benefit Supplement and does not affect the benefits families receive under these programs or the Child Care Expense Deduction. Further information can be found at

[www.universalchildcare.ca](http://www.universalchildcare.ca).

## Child Care Spaces Initiative

Recognizing that the availability of child care spaces is a challenge faced by many Canadian parents, the Government is investing \$250M per year under the Child Care Spaces Initiative, beginning in fiscal year 2007–2008, to support the creation of child care spaces. Working in consultation with provinces and territories, employers and community non-profit organizations, the spaces created across the country will be flexible, responsive and effective in meeting the child care needs of parents. Further information can be found at

[www.universalchildcare.ca](http://www.universalchildcare.ca).

## Multilateral Framework on Early Learning and Child Care

Building on the September 2000 Early Childhood Development Agreement, federal/provincial/territorial Ministers Responsible for Social Services<sup>26</sup> reached agreement in March 2003, on a framework for improving access to regulated early learning and child care programs and services. The specific objectives are to further promote early childhood development and support the participation of parents in employment or training by improving access to affordable, quality early learning and child care programs and services.

<sup>26</sup> While the Government of Quebec supports the general principles of the Early Learning and Child Care initiative, it did not participate in developing these initiatives because it intends to preserve sole responsibility for social matters. However, Quebec receives its share of federal funding and the Government of Quebec is making major investments toward programs and services for families and children.

<sup>27</sup> While the Government of Quebec supports the general principles of the *Early Childhood Development Agreement*, it did not participate in developing this initiative because it intends to preserve sole responsibility for social matters. However, Quebec receives its share of federal funding and the Government of Quebec is making major investments in programs and services for families and children.

In support of these objectives, under this agreement the Government of Canada is providing funding through the Canada Social Transfer to support provincial and territorial government investments in early learning and child care. For 2007–2008, the level of funding will reach \$350 million. Early learning and child care programs and services supported through this initiative are primarily providing direct care and early learning for children in settings such as child care centres, family child care homes, preschools, and nursery schools. Investments can include capital and operating funding, fee subsidies, wage enhancements, training, professional development and support, quality assurance, and parent information and referral. Governments report annually on their activities and expenditures, as well as key indicators, related to this agreement. Further information can be found at

<http://www.ecd-elcc.ca>

## Early Childhood Development Agreement

In September 2000, the Government of Canada and provincial and territorial governments reached an agreement, the Federal/Provincial/Territorial Early Childhood Development Agreement, to improve and expand the services and programs they provide for children under 6 years of age and their families.<sup>27</sup> The overall goal of the initiative is to improve and expand early childhood development supports for young children (prenatal to age 6) and their parents. The specific objectives are: to promote early childhood development so that, to their fullest potential, children will be physically and emotionally healthy, safe and secure, ready to learn, responsible and socially engaged; and to help children reach their potential and to help families support their children within strong communities

In support of these objectives, under this agreement, the Government of Canada is transferring \$500 million per year, via the Canada Social Transfer, to provincial and territorial governments to improve and expand programs and services in the following areas: promoting healthy pregnancy; birth and infancy;

improving parenting and family supports; strengthening early childhood development, learning and care; and strengthening community supports.

Governments report annually on their activities and expenditures related to this agreement. In addition, they report biennially on a common set of indicators of young children's well-being. Further information on the initiative can be found at

<http://www.ecd-elcc.ca>

## National Child Benefit

Introduced in 1998 as a supplement to the Canada Child Tax Benefit,<sup>28</sup> the National Child Benefit initiative is a key commitment in helping to ensure that children in low-income families get the best possible start in life. The National Child Benefit is a partnership between federal, provincial, and territorial governments,<sup>29</sup> including a First Nations component, which provides income support, as well as benefits and services, to low-income families with children. The National Child Benefit aims to: help prevent and reduce the depth of child poverty; promote attachment to the labour market by ensuring families are always better off as a result of working; and reduce overlap and duplication by harmonizing program objectives and benefits and simplifying administration.

Under this initiative, the Government of Canada provides income support to low-income families with children through the National Child Benefit Supplement. Human Resources and Social Development Canada is responsible for policy development and the Minister of Human Resources and Social Development represents the Government of Canada in this initiative. The implementation of the National Child Benefit and its effectiveness in meeting its objectives is monitored through annual progress reports and joint federal-provincial-territorial evaluations. These reports are available on the National Child Benefit website.

<http://www.nationalchildbenefit.ca/>

## Housing and Homelessness

A key enhancement of the new Homelessness Partnering Strategy over the National Homelessness Initiative is the offer to explore bilateral agreements with interested provinces and territories. The purpose of the federal/provincial/territorial partnering is to provide for joint planning and decision-making between orders of government, allowing for a more systematic and efficient coordination of investments in homelessness programming to ensure that outcomes for homeless people are maximized.

The new Homelessness Partnering Strategy encourages federal departments to work together in areas linked to homelessness – such as corrections, crime prevention, mental health, family violence, skills development and immigration. This ensures that all federal capital investments are strategically coordinated with other federal, provincial and territorial investments in health, training and social services, which will maximize the opportunity for homeless persons to become self-sufficient. This will also promote improved access to supports that respond to the individual needs of homeless people, such as skills training, health services, and substance abuse treatment, so that they can become self-sufficient and move out of emergency shelters and into transitional or permanent housing. The partnership will also improve the tracking of progress in the prevention and reduction of homelessness.

This strategy will target federal funding more at the development of transitional and supportive housing and at improving programs that help homeless people become self-sustainable such as skills training, health and substance abuse treatment.

### The Homelessness Partnering Strategy is composed of three initiatives:

#### Homelessness Partnership Initiative

The Homelessness Partnership Initiative is the cornerstone program that will support community-level facilities and services that help homeless people attain housing and shelter stability appropriate to their needs – whether they are the chronic multi-barriered

<sup>28</sup> The Canada Child Tax Benefit is administered by the Canada Revenue Agency, which reports on its strategic priorities, indicators and outcomes.

<sup>29</sup> The Government of Quebec has stated that it agrees with the basic principles of the National Child Benefit. Quebec chose not to participate in the initiative because it wanted to assume control over income support for children in Quebec; however, it has adopted a similar approach to the National Child Benefit. Throughout this section, references to joint Federal/Provincial/Territorial positions do not include Quebec.

homeless or the shorter-term situational homeless. The Homelessness Partnership Initiative will build on the foundation of an existing community-based model and be bolstered by inviting provinces and territories, and municipalities where provinces and territories concur, to enter into partnering agreements, with a view to aligning support services with housing facilities and maximizing public investments.

The Homelessness Partnership Initiative has four target area components for funding:

- **Homelessness Partnership Initiative**  
**Communities:** These are communities, primarily major urban centres, that have been identified as having a significant problem with homelessness. These communities would be able to access multi-year funding which must be matched from other sources. Funded projects must support priority areas identified through a community planning process.
- **Homelessness Partnership Outreach**  
**Communities:** These areas – which include smaller cities, rural and outlying areas, and the North will be eligible for funding to support one-time projects to fill specific gaps in the infrastructure of these areas to address homelessness. Communities receiving this funding would not have to develop a community plan, but would have to demonstrate both need and broad community support.
- **Homelessness Partnership Aboriginal**  
**Communities:** These partnerships will ensure that services meet the acute and unique needs of homeless Aboriginal people, whether in cities or rural areas. The Aboriginal funding stream would be available to all communities, on the basis of high representation of Aboriginal persons in homeless and at-risk populations. There would be no cost-matching requirement, but community contributions would be encouraged. Projects must demonstrate need and show that investments will be targeted to interventions that are appropriate and effective to address Aboriginal homelessness issues.
- **Federal Horizontal Pilot Projects:** These projects would test innovative approaches to homelessness through collaboration at the federal level. HRSDC will mobilize federal departments such as Health, Justice, Citizenship and Immigration, and Indian and Northern Affairs Canada to work collaboratively on

issues which may lead to homelessness such as corrections, mental health, family violence, and immigration.

## Surplus Federal Real Property for Homelessness Initiative

The Surplus Federal Real Property for Homelessness Initiative provides surplus federal properties to communities across Canada to address their local homelessness-related needs. Government departments and agencies, which are encouraged to identify such properties, receive compensation at market value and transfer them to community organizations and other bodies for a nominal cost to help alleviate and prevent homelessness. Three federal bodies – Public Works and Government Services Canada, HRSDC and Canada Mortgage and Housing Corporation – act as partners at the national and regional levels in implementing and managing this initiative.

Additional funding for construction and renovation costs may also be available through related federal programs such as those under the Homelessness Partnership Initiative and Canada Mortgage and Housing Corporation programs. Under the new Homelessness Partnering Strategy, the Surplus Federal Real Property for Homelessness Initiative is more flexible to allow land exchanges. Under certain conditions, community groups can exchange a federal property received through the program for another similar, and more suitable, property.

## Homelessness Accountability Network

The Homelessness Accountability Network streamlines results-reporting, strengthens program accountability, promotes national and regional partnership networks, and develops and shares knowledge and best practices. This Network builds upon two components – the Homelessness Individuals and Families Information System and National Research Program (now the Homelessness Knowledge Development Program) of the former National Homelessness Initiative by facilitating access to, and dissemination of, housing support information and tools.

The following table highlights the differences between the new Homelessness Partnering Strategy and the previous National Homelessness Initiative.

<b>Former Structure 2006–2007</b>	<b>New Structure 2007–2008</b>
<p align="center"><b>National Homelessness Initiative</b></p> <p>Supporting Communities Partnership Initiative; Regional Homelessness Fund ; and Urban Aboriginal Homelessness</p>	<p align="center"><b>Homelessness Partnering Strategy</b></p> <p><b>Homelessness Partnership Initiative</b></p> <ul style="list-style-type: none"> <li>• Homelessness Partnership Initiative – Designated Communities</li> <li>• Homelessness Partnership Initiative – Outreach Communities</li> <li>• Homelessness Partnership Initiative – Aboriginal Communities</li> <li>• Homelessness Partnership Initiative – Federal Horizontal Pilot Projects</li> </ul>
<p>National Research Program ; and Homelessness Individuals and Families Information System</p>	<p><b>Homelessness Accountability Network</b></p> <ul style="list-style-type: none"> <li>• Homelessness Knowledge Development Program</li> <li>• Homelessness Individuals and Families Information System</li> </ul>
<p>Surplus Federal Real Property for Homelessness Initiative</p>	<p><b>Surplus Federal Real Property for Homelessness Initiative</b></p>

### **Expenditure Management System at the Government Centre and in Departments – November 2006**

**W**hile the Department was not included in this audit, the recommendations have important implications for HRSDC. In her November 2006 report, the Auditor General presented the results of her audits on the current Expenditure Management System that is at the heart of the operation of government. Based on the Auditor General examination of the Expenditure Management System, there are some areas where the Auditor General has made recommendations that she encourages the government to consider. In line with the Government's efforts to renew the current Expenditure Management System, HRSDC is implementing numerous measures to ensure improved reporting, budget decision-making and management of horizontal initiatives. The department will clearly demonstrate value for money by continuing to strengthen policy development and programs performance management. Program integrity, clear accountability and effective financial management will remain areas of interest.

### **Old Age Security – November 2006**

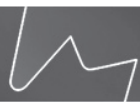
The Auditor General recognized that HRSDC has improved seniors' access to Old Age Security benefits by simplifying the application process and by implementing initiatives to increase the take-up of the Guaranteed Income Supplement by low-income seniors. However, delivery of the program would benefit from improvements in some targeted areas. The Department agreed with all Auditor General recommendations and has committed to take action to strengthen the management of the Old Age Security Program. By the end of 2007, Service Canada will have collected and reported improved information on client satisfaction and services, implemented a national quality review system and improved information on overpayments. With respect to overpayments, a bill was tabled in Parliament November 26, 2006 that would amend the interest requirements related to overpayments. HRSDC also plans to issue a revised policy on managing overpayments.

### **Management of Voted Grants and Contributions – May 2006**

The Auditor General found that overall the government has made satisfactory progress since 2001 in the management of grants and contributions. The findings of the Auditor General were also echoed by other work in 2006–2007, namely that of the Service Canada - Voluntary Sector Working Group on employment programs, the HRSDC-led Task Force on Community Investments and, most recently, the Independent Blue Ribbon Panel on grants and contributions. Recipients of grants and contributions have expressed concerns about the way departments apply the Policy on Transfer Payments and the Auditor General recommended streamlining processes to reduce administrative burden on grant and contribution recipients.

### **Social Insurance Number Management – February 2007**

The follow-up audit on Social Insurance Number Management found that the Department had made satisfactory progress in addressing six of the nine recommendations from the 2002 report. For the three areas where progress was deemed unsatisfactory – use of the Social Insurance Number only where authorized, setting goals for the accuracy of the Social Insurance Registry and reporting to Parliament – recommendations were put forward that reflect existing planned activities by Service Canada to address the management and administration of the Social Insurance Number.



# Website References

## HRSDC Website

<http://www.hrsdc.gc.ca/en/home.shtml>

### **The Honourable Monte Solberg P.C., M.P.**

*Minister of Human Resources and  
Social Development Canada*

<http://pm.gc.ca/eng/bio.asp?id=18>

### **The Honourable Jean-Pierre Blackburn**

*Minister of Labour and Housing*

<http://pm.gc.ca/eng/bio.asp?id=50>

### **Acts and Regulations Governing HRSDC and SC**

<http://www.hrsdc.gc.ca/en/cs/fas/as/contact/acts.shtml>

### **HRSDC Internal Audit**

<http://www.hrsdc.gc.ca/en/cs/sp/sdc/audit/page00.shtml>

<http://www.hrsdc.gc.ca/en/cs/fas/iarms/toc.shtml>

### **HRSDC Evaluation**

[http://www.hrsdc.gc.ca/en/gateways/nav/left\\_nav/publications.shtml](http://www.hrsdc.gc.ca/en/gateways/nav/left_nav/publications.shtml)

### **HRSDC Overview**

- **List of HRSDC Programs and Services**

[http://www.hrsdc.gc.ca/en/gateways/nav/top\\_nav/ps.shtml](http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/ps.shtml)

- **Speech from the Throne, April 4, 2006**

<http://pm.gc.ca/eng/sft-ddt.asp>

## **Enhanced Canadian productivity and participation through efficient and inclusive labour markets, competitive workplaces and access to learning**

### **Labour Market**

#### **Employment Insurance Benefits**

[http://www.hrsdc.gc.ca/en/gateways/nav/top\\_nav/program/ei.shtml](http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/ei.shtml)

#### **Employment Benefits and Support Measures**

[http://www.hrsdc.gc.ca/en/gateways/nav/top\\_nav/program/gc.shtml](http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/gc.shtml)

### **Labour Market Development Agreements**

[http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/lmda-edmt/description\\_e.asp](http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/lmda-edmt/description_e.asp)

### **Aboriginal Human Resources Development Strategy**

[http://www17.hrdc-drhc.gc.ca/AHRDSInternet/general/public/HomePage1\\_e.asp](http://www17.hrdc-drhc.gc.ca/AHRDSInternet/general/public/HomePage1_e.asp)

[http://www17.hrdc-drhc.gc.ca/AHRDSInternet/general/public/HomePage1\\_f.asp](http://www17.hrdc-drhc.gc.ca/AHRDSInternet/general/public/HomePage1_f.asp)

### **Aboriginal Skills and Employment Partnerships**

[http://www17.hrdc-drhc.gc.ca/AHRDSInternet/general/public/asep/asep\\_e.asp](http://www17.hrdc-drhc.gc.ca/AHRDSInternet/general/public/asep/asep_e.asp)

[http://www17.hrdc-drhc.gc.ca/AHRDSInternet/general/public/asep/asep\\_f.asp](http://www17.hrdc-drhc.gc.ca/AHRDSInternet/general/public/asep/asep_f.asp)

### **Youth Employment Strategy**

<http://www.youth.gc.ca>

### **Official Language Minority Communities**

[http://www.hrsdc.gc.ca/en/gateways/nav/top\\_nav/program/solmc.shtml](http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/solmc.shtml)

### **Work Sharing**

[http://www.hrsdc.gc.ca/en/epb/sid/cia/grants/ws/desc\\_ws.shtml](http://www.hrsdc.gc.ca/en/epb/sid/cia/grants/ws/desc_ws.shtml)

## **Workplace Skills**

### **Essential Skills**

[http://www.hrsdc.gc.ca/en/hip/hrp/essential\\_skills/essential\\_skills\\_index.shtml](http://www.hrsdc.gc.ca/en/hip/hrp/essential_skills/essential_skills_index.shtml)

### **National Occupational Classification**

[http://www.hrsdc.gc.ca/en/hip/hrp/noc/noc\\_index.shtml](http://www.hrsdc.gc.ca/en/hip/hrp/noc/noc_index.shtml)

### **Apprenticeship and Labour Mobility Initiatives**

[http://www.hrsdc.gc.ca/en/gateways/nav/top\\_nav/program/almi.shtml](http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/almi.shtml)

### **Foreign Worker Program**

[http://www.hrsdc.gc.ca/en/gateways/nav/top\\_nav/program/fw.shtml](http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/fw.shtml)



### **Red Seal Program**

<http://red-seal.ca/>

### **Workplace Skills Strategy**

<http://www.hrsdc.gc.ca/en/ws/index.shtml>

### **Workplace Skills Initiative**

<http://www.hrsdc.gc.ca/en/ws/initiatives/wsi/index.shtml>

### **Foreign Credential Recognition**

<http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/ws/programs/fcr/index.shtml&hs=hzp>

### **Sector Council Program**

[http://www.hrsdc.gc.ca/en/gateways/nav/top\\_nav/program/spi.shtml](http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/spi.shtml)

### **Labour Market Information**

[http://www.hrsdc.gc.ca/en/gateways/nav/top\\_nav/program/lmi.shtml](http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/lmi.shtml)

## **Learning**

### **Student Financial Assistance (Canada Student Loans Program)**

<http://www.hrsdc.gc.ca/en/gateways/topics/cxp-gxr.shtml>  
<http://www.canlearn.ca>

### **Canada Education Savings Grant**

<http://www.hrsdc.gc.ca/en/gateways/topics/cgs-gxr.shtml>

### **Adult Learning, Literacy and Essential Skills Program**

<http://www.hrsdc.gc.ca/en/gateways/topics/lxa-gxr.shtml>  
<http://www.hrsdc.gc.ca/en/gateways/topics/lxi-gxr.shtml>

### **International Academic Mobility**

[http://www.hrsdc.gc.ca/en/gateways/nav/top\\_nav/program/iam.shtml](http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/iam.shtml)

## **Safe, healthy, fair, stable, cooperative and productive workplaces and effective international labour standards**

### **Labour**

#### **Federal Mediation and Conciliation Service**

<http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/lp/fmcs/02About.shtml&hs=mxm>

#### **Labour Program**

[http://www.hrsdc.gc.ca/en/gateways/nav/top\\_nav/program/labour.shtml](http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/labour.shtml)

#### **International Labour Affairs**

<http://www.hrsdc.gc.ca/en/lp/ila/index.shtml>

#### **Work-life Balance and Ageing Workforce**

<http://www.hrsdc.gc.ca/en/gateways/topics/wnc-gxr.shtml>

#### **Collective Bargaining**

<http://www.hrsdc.gc.ca/en/gateways/business/cluster/category/cb.shtml>

#### **Federal Workers' Compensation Service**

<http://www.hrsdc.gc.ca/en/gateways/topics/fff-gxr.shtml>

#### **Labour Standards**

<http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/lp/lo/lswel/about.shtml&hs=lxn>

#### **Workplace Equity**

<http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/lp/lo/lswelwe/information/overview.shtml&hs=wzp>

#### **Occupational Health and Safety**

<http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/lp/lo/ohs/overview/index-ohs.shtml&hs=oxs>

#### **Fire Protection Services**

<http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/lp/lo/fp/overview/services.shtml&hs=fzp>

#### **Labour Law Analysis**

<http://www.hrsdc.gc.ca/en/gateways/topics/lzl-qxr.shtml>

## **Enhanced income security, access to opportunities and well-being for individuals, families and communities**

### **Social Investment**

#### **Seniors & Pensions**

##### **Income Security Programs**

[http://www.sdc.gc.ca/en/gateways/nav/top\\_nav/program/isp.shtml](http://www.sdc.gc.ca/en/gateways/nav/top_nav/program/isp.shtml)

##### **Seniors**

<http://www.sdc.gc.ca/en/gateways/individuals/audiences/seniors.shtml>

##### **Old Age Security Program (OAS)**

<http://www.hrsdc.gc.ca/en/gateways/topics/ozs-gxr.shtml>

##### **The Canada Pension Plan (CPP)**

<http://www.hrsdc.gc.ca/en/gateways/topics/cpr-gxr.shtml>

##### **The New Horizons for Seniors Program (NHSP)**

<http://www.hrsdc.gc.ca/en/isp/horizons/toc.shtml>

#### **Disability Programs**

##### **Office for Disability issues**

[http://www.sdc.gc.ca/en/hip/odi/01\\_about.shtml](http://www.sdc.gc.ca/en/hip/odi/01_about.shtml)

##### **Persons with Disabilities**

<http://www.hrsdc.gc.ca/en/gateways/individuals/audiences/pd.shtml>

##### **The Opportunities Fund for Persons with Disabilities (OF)**

[http://www.hrsdc.gc.ca/en/epb/sid/cia/grants/of/desc\\_of.shtml](http://www.hrsdc.gc.ca/en/epb/sid/cia/grants/of/desc_of.shtml)

##### **Labour Market Agreements for Persons with Disabilities (LMAPD)**

[http://www.hrsdc.gc.ca/en/hip/odi/08\\_multilateralFramework.shtml](http://www.hrsdc.gc.ca/en/hip/odi/08_multilateralFramework.shtml)

##### **The Social Development Partnerships Programs (SDPP) – Disability**

<http://www.hrsdc.gc.ca/en/hip/odi/sdppd/sdppd.shtml>

##### **The Canada Pension Plan – Disability**

<http://www.hrsdc.gc.ca/en/gateways/topics/cdp-gxr.shtml>

#### **Communities**

##### **Community Development Partnerships**

[http://www.hrsdc.gc.ca/en/hip/sd/999\\_CDPD.shtml](http://www.hrsdc.gc.ca/en/hip/sd/999_CDPD.shtml)

##### **The Social Development Partnerships Programs (SDPP)**

[http://www.hrsdc.gc.ca/en/hip/sd/05\\_SDPP.shtml](http://www.hrsdc.gc.ca/en/hip/sd/05_SDPP.shtml)

##### **The Understanding the Early Years (UEY)**

[http://www.hrsdc.gc.ca/en/hip/sd/300\\_UEYInfo.shtml](http://www.hrsdc.gc.ca/en/hip/sd/300_UEYInfo.shtml)

##### **Supporting Voluntary Sector**

[http://www.hrsdc.gc.ca/en/hip/sd/06\\_vsi.shtml](http://www.hrsdc.gc.ca/en/hip/sd/06_vsi.shtml)

##### **Intercountry Adoption Services**

[http://www.hrsdc.gc.ca/en/hip/sd/08\\_interAdopt.shtml](http://www.hrsdc.gc.ca/en/hip/sd/08_interAdopt.shtml)

#### **Children and Families**

##### **Canada's Universal Child Care Plan**

<http://www.universalchildcare.ca>

##### **Federal/Provincial/Territorial Early Childhood Development Agreement**

<http://www.ecd-elcc.ca>

##### **Multilateral Framework on Early Learning and Child Care**

<http://www.ecd-elcc.ca>

##### **The National Child Benefit**

<http://www.nationalchildbenefit.ca>

#### **Housing and Homelessness**

##### **The Homelessness Partnering Strategy**

<http://www.homelessness.gc.ca>

#### **Achieve better outcomes for Canadians through service excellence**

##### **Service Canada**

<http://www.servicecanada.gc.ca/en/home.html>

## Questions and Public Enquiries

If you have questions about departmental programs and services, you may contact your nearest Service Canada office listed in the Government of Canada pages of the telephone book or through the HRSDC website at

[http://www.hrsdc.gc.ca/en/gateways/nav/top\\_nav/our\\_offices.shtml](http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/our_offices.shtml).

To obtain HRSDC publications, please contact the Public Enquiries Centre at

<http://www.hrsdc.gc.ca/en/cs/comm/hrsd/publications/order.shtml>

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