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Chair

Mr. Phil McColeman

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

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•(1105)

[English]

The Chair (Mr. Phil McColeman (Brant, CPC)): Good morning, ladies and gentlemen, and welcome.

This is meeting number 38 of the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities.

Today is Thursday, November 27, 2014. We are here for our study of the supplementary estimates (B) 2014-15, votes 1b and 5b, under Human Resources and Skills Development.

We are very pleased to have the Honourable Jason Kenney, Minister of Employment and Social Development, joining us for our study. Thank you, Minister, for being here.

Along with Minister Kenney, from the Department of Employment and Social Development, we have Ms. Gina Wilson, the associate deputy minister. Welcome.

We have Ms. Louise Levonian, senior associate deputy minister and chief operating officer of Service Canada. Welcome.

We have Mr. Alain Séguin, the chief financial officer, and Benoît Long, the senior assistant deputy minister, processing and payment services branch. Thank you for being here.

Now we'll pass the floor over to you, minister, for your presentation.

Hon. Jason Kenney (Minister of Employment and Social Development): Thank you very much, Chairman.

Colleagues, it's good to see you.

You've asked me to come here to discuss our supplementary estimates, which are before you. I'll try to do so briefly.

[Translation]

I think you have received a copy of my presentation, so I will not read the entire document. I would rather give you more time to ask questions.

[English]

I just want to point out a couple of the highlights in the supplementary estimates (B).

We're requesting \$4.6 million in funding for this fiscal year and \$5.2 million in each of the two following years to connect Canadians

with disabilities with available jobs, which I know is an issue very close to your heart in particular, Mr. Chairman. We're doing that partly through our opportunities fund for persons with disabilities to support the Ready, Willing, and Able initiative, which is one of the great legacy projects of our late colleague, the Hon. Jim Flaherty. This will support efforts by the Canadian Association for Community Living to help folks with intellectual disabilities to put their talent to work.

In addition, there is funding of \$2.6 million for each of the next two fiscal years, and additional funding after that, for Community-Works, which is an effort to help youngsters with autism disorders get trained and connected to jobs, which I think is another wonderful initiative. Again that's a statutory grant that was announced in this year's budget.

There's additional funding in the range of \$5 million for the New Horizons program. As you all know, you have seniors centres in your constituencies that have benefited from modest infrastructure upgrades, and there have been some projects in community centres for seniors all across the country.

We're requesting \$6.8 million for web renewal. Increasingly we're trying to provide better and faster service online. We're behind the curve compared to the private sector in that regard, but we're catching up. This will help us provide better service online.

Of course there is some additional funding as a result of the overhaul of the temporary foreign workers program that I announced in June. I'm happy of course to take questions about that.

A large chunk of this is for the new labour market information surveys. Some of my colleagues in the opposition have quite correctly pointed out that we have inadequate labour market information. One of the ways in which we are addressing that is through the new quarterly job vacancy survey, so we have a better idea of what jobs are going unfilled in the economy with a much larger sample, as well as the new annual national wage survey, which will get us a better read in local areas of what the real wages are. That will help to inform everyone on labour market policies, whether they're colleges, employers, unions, or governments.

I'll just say two other general things. I'm really pleased to report to you, colleagues...because I've been in Parliament long enough to know that often when ministers appear on supplementary estimates there are few, if any, questions on the actual supplementary estimates. I know that's shocking, but it's been known to happen. So let me say just a couple of general things that are not in the estimates.

First, I am very pleased to report to you that on Friday I had a very successful meeting with the Forum of Labour Market Ministers. For some reason this group did not meet for about four years, but we've now met three times in one year. There is a real sense of focused consensus from left to right, east to west, and north to south on the skills agenda, whether it's on the agreement we got to on the Canada job grant that's now being implemented, the retooling of the labour market development agreements, the renewal of the targeted initiative for older workers, the new agreements we've signed on the labour market agreements for persons with disabilities to focus more on employment as opposed to just general services, the ambitious work being directed by us towards the Canadian Council of Directors of Apprenticeship to harmonize apprenticeship systems across the country and facilitate labour mobility, the great work we're funding by the way of the Council of Atlantic Premiers on apprenticeship harmonization, or the good work being done in the three western-most provinces through the New West initiative.

We are promoting information about labour mobility and reciprocal recognition of professional credentials through chapter 7 of the Agreement on Internal Trade in an effort to reboot our work on faster and streamlined recognition of foreign credentials. We are encouraging the provinces to retool their post-secondary education and vocational training systems to learn some of the lessons from the systems that work so well in Europe: recreating vocational high schools; creating this notion of the parity of esteem between trades and professions, colleges and universities; encouraging apprenticeship programs. We are having, to some extent, PSC dollars follow actual labour market outcomes. All of this is complementary to the reforms in the immigration system.

I could go on, but the point is I really am excited to see from labour, employers, provinces, and the federal government a growing clarity and a focus on the big skills agenda challenge that we're facing.

Finally, on the Social Security Tribunal, I know this was an item of considerable and understandable concern by the committee when the chairman appeared recently. The good news is that we have a working inventory and effectively no backlog of employment insurance appeals to the Social Security Tribunal, largely because of the excellent work done by officials at ESDC—for which I can take no credit—when they developed the reconsideration process, which is actually just so smart.

We actually have officials picking up the phone and calling people if they have asked for reconsideration of their EI refusal. Often it's just working out little, simple, technical things: they didn't fill out part of the form or they need to submit a document. This is a much friendlier, non-adversarial, faster process to fix some of those EI refusals where appropriate. That has massively reduced the kind of adversarial, quasi-judicial, slower-moving appeals process at the Social Security Tribunal, formerly the EI board of referees. That's

good news. It means that we've been able to reallocate about a dozen decision-makers at the SST from the EI side to the Canada pension plan side.

However, it is true that when I was first briefed as minister, in July of last year, on the Social Security Tribunal, I was dismayed to learn that there was a backlog of several thousand cases in the income security division, which had been inherited from the Pension Appeals Board. I am told that the Pension Appeals Board did not share information on their backlog of inventory with HRSDC at the time that we transitioned to the Social Security Tribunal.

[Pursuant to a motion adopted by the committee on June 9, 2015, correspondence from Hon. Jason Kenney to Hon. Mr. Justice Douglas Rutherford has been appended to the Evidence for this meeting. See appendix at bottom of page.]

Hon. Jason Kenney: This was an unexpected legacy backlog, and ever since I was appointed I have been working very intensively with the chairman of the tribunal on fixing it. As I said, we have reallocated 12 decision-makers from the EI side to the CPP side, and as of a cabinet meeting an hour ago, we've appointed 22 part-time new decision-makers to the income security division of the tribunal, almost all of whom worked on the Pension Appeals Board. So they have relevant experience, and they don't have to be trained and can get to work more quickly.

We have legislation, as you know, that you've considered to lift the statutory cap on the number of decision-makers at the tribunal. The chairman of the tribunal has contracted a consulting firm to do a productivity model so we can know what we can expect in terms of productivity from the decision-makers, and I'm expecting from her a further action plan that I anticipate will also include a request for additional decision-makers.

I'll just close with this. When I was at Immigration Canada I inherited an immigration system that had an overall backlog of nearly a million people who had been waiting for up to eight years in various programs. We had 60,000 people waiting for decisions by the IRB on their refugee claims. I'm proud to tell you that now those backlogs are almost all gone. So I have a bit of experience in working with departments and quasi-judicial bodies to address legacy backlogs, and you have my commitment to do this with respect to the unacceptably large backlog at the income security division of the Social Security Tribunal.

• (1110)

[Translation]

Thank you, Mr. Chair.

I am ready to answer any questions you may have.

[English]

The Chair: Thank you, Minister. You're right on time.

We'll move to our first round of questions. These are seven-minute rounds.

We'll go to Madam Sims.

Ms. Jinny Jogindera Sims (Newton—North Delta, NDP): Minister, I really appreciate that you're able to be with us this morning. My only regret is that it's for only an hour, but I understand you had something previously scheduled for the second hour.

I have a series of questions for you. Most of them pertain to Service Canada. I realize that you're not going to have these answers at the tip of your tongue, though I'll be pleasantly surprised if you do. I'll just read out the questions. If you don't have the answers, I would look forward to having them tabled at the committee as soon as possible.

What was the funding for Service Canada? How much of those funds came from the EI operating account and how much came from general revenues? What is the funding for EI processing at Service Canada? How much of those funds came from the EI operating account and how much came from general revenues? How many full-time employees were working at Service Canada? How many were assigned to processing EI claims?

As I said, these are for very specific numbers. If you don't have them on you, then I'm hoping that you'll be able to table them as soon as possible. I'm looking for them from the year 2006 to the present, year by year.

• (1115)

Hon. Jason Kenney: Mr. Chairman, the only thing I can do is undertake to provide Ms. Sims, through you, with those numbers as soon as possible, maybe even by the end of this meeting. I can ask my people.

Ms. Jinny Jogindera Sims: That would be great.

Hon. Jason Kenney: We have thousands of other officials somewhere else who can get those numbers, I think, in the next hour.

Voices: Oh, oh!

Hon. Jason Kenney: Honestly, if you want me to give you these numbers, give me a heads-up, even the night before, and I'll come to you with the figures.

Ms. Jinny Jogindera Sims: I'm sorry. No, no, I really appreciate it.

Minister, when we met with Food Banks Canada a few weeks ago, they provided the shocking statistic that 49% of Canadians between the ages of 16 and 65 do not have the literacy capacity necessary to effectively learn the new job skills. Nearly half of Canadians operate with level one or level two literacy.

Minister, is this not a huge problem?

Hon. Jason Kenney: Of course it's a problem whenever a Canadian doesn't have the essential skills to go into the workforce. This is why we invest enormously in essential skills through the billions of dollars the federal government spends on skills development programs. In 2006 we created the labour market

agreement, now the Canada job fund, which focuses in part on essential skills for under-represented groups in the labour force.

I think this would be most relevant to our aboriginal skills development programming, the ASETS and SPF programs. ASETS in particular focuses on essential skills for unemployed aboriginal Canadians.

So we do have a lot of programming to address that challenge.

Ms. Jinny Jogindera Sims: Thank you.

According to the public accounts for 2012-13, your government only spent 6%, or \$450,000, of the available budget of \$7.6 million in grants to voluntary sector organizations for adult literacy and essential skills. Given the numbers I just cited and the fact that this type of basic skills training is clearly needed, help me understand why this money went unspent. Why aren't you being transparent with Canadians about how much went unspent and why?

Hon. Jason Kenney: I understand that we've allocated for the current fiscal year some \$27 million toward adult literacy and essential skills. I think it's important to focus not just on the dollar figures but the results. One of the concerns we've had about some of the legacy program funding on literacy from my department is that it has been focused on administrative overhead, personnel, consultations, conferences, and research, but not on actually teaching people how to read. I think what we're trying to do is focus on more concrete outcomes.

Quite frankly, I don't think it helps to get people into the workforce that we just constantly focus our funding on administrative overhead for non-profit organizations. We encourage those community-based organizations to raise those funds locally. We want to focus our dollars on actual programs.

Ms. Jinny Jogindera Sims: Minister, what will happen to Canada job fund money if interest from workers and employers just isn't there for that kind of training? Do the provinces then lose their funding? If the answer is yes, then what is your other solution?

Hon. Jason Kenney: There is a carry-forward provision. The provinces raised that with me during the negotiations. Consequently, we included in our Canada job fund agreements a carry-forward provision so that if they do lapse in a given year, they can reprofile it to the future year. I believe it's 5%, but I stand to be corrected.

The good news is that I just met with my provincial counterparts on Friday, and they informed me that so far there's very strong uptake on the job grant.

Ms. Jinny Jogindera Sims: Thank you.

Hon. Jason Kenney: Can I just point out one thing? It's phased in gradually over time, by increments of 25%. The first year, actually a relatively modest amount is allocated to the job grant.

We've also agreed on a framework for a comprehensive evaluation of the job grant after the second year. One of things we'll obviously be looking at is take-up.

Ms. Jinny Jogindera Sims: Specifically, Minister, how many and which provinces have now delivered a Canada job grant? How much have employers invested so far in training and what qualifies as in-kind contributions for training for small businesses?

• (1120)

Hon. Jason Kenney: All 13 provinces and territories have signed final agreements committing to deliver the job grant in their jurisdictions. I believe that eight of the jurisdictions have opened their systems to accept applications. Quebec is a bracket in this because they will not be delivering the job grant given the different nature of their system.

The first grant was approved in Manitoba about six weeks ago. So it's frankly too early to give you statistical data on how much employers are contributing. But I can tell you in the case of the first recipient, it was a mid-sized IT company in Manitoba that received a grant to train 20 workers in a very expensive IT certification program. I asked the business owner if he would have done that anyway. He said he's putting in a third of the cost and he said, no, he could maybe have afforded to hire four or five of these people and train them up for certification, but because of the job grant he was able to do 20 and this will help massively to expand his business.

And Ms. Sims, you'll be pleased to know it was an NDP government in Manitoba that approved that first grant.

Ms. Jinny Jogindera Sims: Thank you.

The Chair: Thank you.

Now we move on to Mrs. McLeod for seven minutes.

Mrs. Cathy McLeod (Kamloops—Thompson—Cariboo, CPC): Thank you, Minister, and thank you also to your officials.

As I look at these issues that are specific to the supplementary estimates, I certainly hope that we're going to have support. I think what we have here are important programs in many areas, such as Ready, Willing and Able and CommunityWorks Canada.

I have just a quick observation. I think in all of our ridings, we have met with the organizations that perhaps deliver some of these programs. I have one example that stands out in my mind, of course. It was a small rural community and they now have someone who's been gainfully employed for over six years who had successfully gone through the program, someone with an intellectual disability. I hope we will be looking at widespread support as we move toward these supplementary estimates.

I think I'm going to go a little more specifically because I think there's been some misinformation out there around the temporary foreign worker program. There was an article in *The Globe* that talked about a number of different issues around data inaccuracies. I believe the opposition has raised this in question period. I wonder if you could speak to this. I understand that the department has done a manual review of the data. Can you tell us about this manual review

and the results? I think it's important. The opposition claimed our overhaul was based on bad data, but I think we need to actually spend some time setting that record straight.

Hon. Jason Kenney: Thank you very much, Cathy, and I appreciate the question.

You're right. Through an access to information release that was analyzed by *The Globe and Mail*, they found some discrepancies between the reported number of temporary foreign workers on particular work sites and the actual number. We've done a very close analysis.

In fact we've gone back and looked at every single file exhaustively and we found that my department made errors in 105 cases. That was 4.1%. Those errors were because 21 employers should no longer be on the list as they no longer have temporary foreign workers. They did in the past, but no longer do. Seventeen employers on the list should have been in the 30% to 50% range of TFWs rather than over 50%. Ten employers should be below 30%. Fifty-seven employers were unaffected by the input errors and should remain on the original list as they appear.

In most cases the errors were actually made by the employers who submitted inaccurate information on their online application that went straight into our system. I can tell you that the incidence of error in our department was very low. It was fractional. We've learned from that to make sure that is not repeated and we will now be verifying the information submitted by employers to make sure that we don't accept erroneous information from them.

Overall I can tell you that these minor administrative errors in 4% of cases do not affect the overall assessment that we made of the program. I want to completely allay anyone's concerns that there was a huge lack of integrity in the data. That is not accurate. The errors were very minor in nature in a very small number of cases, 4% on our part. In any event *grosso modo* the analysis that we did about the percentage of TFWs and work sites remains completely as it was when we presented it in June.

• (1125)

Mrs. Cathy McLeod: A big part of the portfolio is the EI piece. We know that many workers lose a job sometimes and often through no fault of their own. You talked a little bit in your opening comments about the new process around the EI reconsideration. I'm wondering if you can spend a bit more time elaborating on that particular piece of what the department is now doing.

Hon. Jason Kenney: Sure.

At roughly the same time the Social Security Tribunal was created, the department on its own volition decided quite commendably to launch a more proactive and high-touch kind of outreach to EI applicants who had been refused and who had requested a reconsideration.

I want to give credit to a very distinguished, now unfortunately retired, public servant, Karen Jackson, who was our associate deputy minister for operations at HRSDC. She and her team in Service Canada led this initiative, which was hugely successful. In fact when they first briefed me on it they were quite nervous about how good the numbers were. They thought it couldn't possibly continue, but they were seeing a 90% reduction in the number of appeals to the SST versus the number of appeals that used to go to the EI board of referees.

What was happening was their officials were picking up the phone and calling the people asking for a reconsideration and working through the file with them. In most cases these are not always black and white, a case of fraud or a case of someone who has been unfairly denied. Often someone has submitted the wrong form or inadequate documentary evidence to support the release from employment or the record of employment. Often the Service Canada official can, with the proactive reconsideration process, sort out those document or clerical issues with the person or tell the person, "I'm sorry, but in the region you're in you have to work an extra 10 days to qualify," or "This is not adequate evidence that you've been released from your job".

As a result we see a much faster process. I believe this is being done in less than six weeks, and certainly less than three months, in almost every instance, as opposed to the old EI board of referees model, which took months. It was six months on average.

We think that this kind of client-based, non-adversarial, faster approach is very—but if they still don't like the answer they get, if the officer on the reconsideration tells them, "I'm sorry, but you still don't qualify", they have every right without any prejudice to make a formal application for an appeal to the tribunal. The number of those formal appeals is down by 90%, which means the clients themselves believe that they're getting fair decisions at the reconsideration stage and good service.

The Chair: That's the end of that round.

Mr. Cuzner, you have seven minutes.

Mr. Rodger Cuzner (Cape Breton—Canso, Lib.): It's my pleasure to spend time with the minister. I want to thank him for the kind and gracious comments at the welders' event last week.

You became minister in July 2013, and as you had indicated in your opening comments, you were really taken by the number of backlogged files that you had received from the pension review tribunal: 7,000. Madam Brazeau in her comments said last week, "We realized that there was a backlog on day one.... We have had discussions with the minister throughout." There were 48 staff online then, where the full complement would be 74, but there didn't seem to be—you know you inherited the large backlog—that degree of urgency to address the staffing shortfall within the SST.

• (1130)

Hon. Jason Kenney: Mr. Cuzner, I respectfully disagree.

Because I had some experience dealing with backlogs at the quasi-judicial bodies at the IRB in my time at immigration, I immediately understood the problem of backlogs. It's like a debt. If you don't deal with it, it keeps growing.

I immediately asked for advice on how we could deal with this and essentially the chairman of the SST said.... When I became minister in July, they were still getting tooled up. I directed my staff to work with the tribunal and tried to get to a full complement of decision-makers as quickly as possible. I'm pleased to tell you that of the 74 statutory full-time positions, I believe we're at 72 right now. I think there was one recent resignation and sadly a recent death.

Mr. Rodger Cuzner: That's 18 months later though. So six months in you saw and identified the problem, 7,000, and six months in you had increased it by 10 or 11 staff.

There were even part-time positions that could have been filled. These are disabled Canadians. Some had been waiting for two years at that point to have their appeals heard. I would think there would have been a degree of urgency on addressing that.

Hon. Jason Kenney: Let me address that.

Mr. Cuzner, my predecessor put in place, quite commendably, a rigorous pre-screening process that takes multiple steps. I was informed that it took no less than 12 months to bring candidates through the pre-screening process. There was an inadequate pool of recommended applicants coming to my desk from the pre-screening process. When I became minister, it took time for more candidates to go through that 12-month long rigorous pre-screening process.

Let me be blunt. The reason we put in that rigorous pre-screening process, as we did at the IRB, is to make sure that we don't end up with unqualified, typically patronage, appointees.

Now, if I wanted to—

Mr. Rodger Cuzner: Let's talk about that.

Hon. Jason Kenney: If I wanted to, I could have just dumped the rigorous pre-screening process and appointed people off the street the next week, but I didn't think that was appropriate. I wanted to respect the rigour of the process and that took time.

Mr. Rodger Cuzner: Your predecessor also said that the system was going to be simplified to allow Canadians more accessible appeals. Yet, when they established the SST, there were no performance measurements there. The performance measurements were in the old system. There are no performance measurements here. Do you think that's a shortfall in the system?

Hon. Jason Kenney: Yes, which is why I encouraged the chairman of the tribunal as a deputy head of a public body, while fully respecting its independence on decision-making matters, to put in place such performance measurements, which she has done by contracting an independent consulting firm through an open and competitive tendering process to provide her with a productivity model.

Quite frankly, to be honest with you, I want to make sure that, yes, the decision-makers take the time necessary to render fair decisions, but that they are rendering as many decisions as they reasonably can each day and each week, so we can get at that backlog.

Mr. Rodger Cuzner: So the people that were put in place, under the old system you had to have 25% lawyers, 25% had to—

Hon. Jason Kenney: You mean in terms of appointments not productivity?

Mr. Rodger Cuzner: Both appointments and productivity, but the productivity would be based on who's sitting at the desk making those decisions. About 25% used to be lawyers and 25% had some kind of professional medical training.

Do you have those requirements in the staffing now?

Hon. Jason Kenney: What per cent used to have to be former Liberal campaign managers, Rodger?

Mr. Rodger Cuzner: Was that a criteria?

Hon. Jason Kenney: Thankfully, in the pre-screening process, we've made that impossible.

Mr. Rodger Cuzner: You can be flippant with that, but 7,000 Canadians have been waiting for over two years to get access to benefits.

Hon. Jason Kenney: My point is that the previous system was completely at the discretion of the minister to make recommendations to cabinet.

Mr. Rodger Cuzner: Let's talk about this.

Is this one the right one? There was no study. I placed an order paper question asking what study was undertaken in order to develop the SST. There was no study undertaken. What was the rationale for moving toward the SST?

I will give you a multiple choice.

You knew there were 7,000 and there doesn't seem to be a certain degree of urgency in that. That would be a concern and that is why we are where we are now, because you didn't ramp up quick enough, or the people that you hired didn't have the same qualifications as the old system. That would be the *b* part of the multiple choice. Or the system itself doesn't work. The system itself isn't as simplified, or maybe *d* would be all of the above. But the system continues to wrestle with that backlog of Canadians that need access to these benefits.

• (1135)

Hon. Jason Kenney: There is a lot of questions embedded in that, Mr. Chair.

The allocation of 74 decision-makers was based on starting with a relatively clean slate, which didn't happen. The old Pension Appeals Board did not transmit to the department the fact that there were several thousand backlogged cases. That was not included in the planning, which I find very regrettable

On the rigorous pre-screening process, you talk about 25% being lawyers. I invite the committee, perhaps in an in camera meeting so as not to violate anyone's privacy, to actually go through the CVs of the people we have, at least the people I've appointed since I've been minister. They are phenomenal, first-rate people. I am quite sure that the percentage of lawyers is higher than 25%. We have taken the patronage dimension of this out of the system. There might be a couple of people on there who have supported my party in the past. I know of only one person personally, who I appointed to the board,

with whom I had a pre-existing relationship but who is eminently qualified. These are qualified individuals who are not appointed on the basis of partisanship but on the basis of competence.

I have a real sense of urgency about this, which I have conveyed clearly to the chair of the tribunal, and it's why we have seen a reallocation of 12 decision-makers from the EI division to the CPP division. It's why we have appointed 22 part-time experienced and trained decision-makers. It's why we are lifting the statutory cap on the number of tribunal decision-makers. It's why the chair is getting a productivity model, so we can assess how many additional decision-makers we may need to add. It's why, on my insistence, we've truncated the timeline for the pre-screening process from 12 months to a few months, so we can get people through the queue faster for consideration for appointment.

We're doing everything within our power to add additional resources and speed up the process.

The Chair: Thank you, Minister.

I'm going to pause for a moment.

The purpose of the meeting was consideration of supplementary estimates (B). I think the minister, in his opening comments, extended the latitude of the meeting by virtue of his comments. I'm allowing it, but I would remind members here that I will have to step in if we become too far off track. I know the minister's willing to engage, and I know the minister's willing to answer, but I'm simply saying to members of the committee around the table to please draw questions back to the reason why we commenced this meeting.

It's now Mr. Armstrong for seven minutes.

Mr. Scott Armstrong (Cumberland—Colchester—Musquodoboit Valley, CPC): Thank you, Mr. Chair.

Minister, thank you for being here today. I do believe you're willing to consider extending your meeting with us here today. Is that true?

Hon. Jason Kenney: Ms. Sims said she would very much like me to stay longer, and I appreciate the regard she has for my presence. I would be happy to do so.

I have a meeting with an ambassador at 12:30 p.m., but I could stay until then. That's if it suits the committee, Mr. Chair. I don't want to impose that.

The Chair: I'm at the behest of the committee.

Would you like the minister to stay, as he's willing to?

I see everyone nodding, so I guess we will carry on, sir, until you indicate you have to leave.

Mr. Scott Armstrong: Thank you, Mr. Chair.

Minister, thank you for extending your stay with us. It's always great to have your ability to answer questions and clarify things for the committee.

I want to focus a bit on apprenticeships. You talked a lot about apprenticeships in your opening statement. I was able to attend the trip with you last year to Germany with several business leaders and labour leaders from across the country. Can you talk a bit about a couple of other systems—the Swiss system, the German system, the European system, the British system—and what we can glean from those systems that we could actually implement here to try to develop a more robust apprenticeship system broadly across Canada?

Hon. Jason Kenney: I touched on this broader skills agenda at the end of my opening remarks, and I want to thank Mr. Armstrong for having joined me on our European skills mission in March, which included almost all the major Canadian business organizations, some of our larger unions, many folks from our post-secondary sector, and representatives of several provincial governments as we spent three and a half days studying the German dual vocational training system and a couple of days studying the reformed apprenticeship and trades training system in the United Kingdom.

It was, I think, a phenomenal eye-opener for all of us to see how those systems are getting radically better outcomes. In the Germanic-European systems, by which I mean those of Germany, Denmark, Switzerland, Austria, and to some extent the Netherlands, young people in secondary school are actively encouraged to develop interests in particular occupations, trades, and they're often encouraged when they're 14 or 15 to do brief stints of a week or two on work sites to get a tactile sense of what different occupations are like.

Then typically when they're 16, two-thirds of the kids in those systems go into paid apprenticeship trade programs. On average they're paid modestly, about a thousand euros a month, because most of them are teenagers still living with mom and dad. So they don't have a lot of living expenses but they are paid something, and typically, they spend three to four days in practical learning on the work site, and then one to two days of the same week of theoretical training at a *berufskolleg*, a vocational college.

The practical and the theoretical learning are perfectly integrated. There is a totally seamless connection between the employers and the colleges in the development of the programs. The phenomenal thing is that typically these trade programs in the Germanic system take three years, which means two-thirds of youth in those countries at roughly the age of 19 get a trade certificate, which according to everyone in those countries is regarded as having the same esteem and value as a university degree, and 95% of those youth are then hired in the occupations for which they were trained and are now certified.

Of course, many of them then take part-time additional post-secondary studies or they eventually go on and perhaps get degrees, often at co-op universities, which are also integrated with employers. They're not just sitting in a classroom; they're also often indentured or attached to an employer.

These results are phenomenal. This is why those Germanic countries have youth unemployment rates that are roughly half of what ours is. I believe, Mr. Armstrong, that in Switzerland, the youth unemployment rate is about 3% versus 12% in Canada.

The average graduation age for trade certificate holders in Germany is 19 versus, according to the Canadian Apprenticeship Forum, 28 in Canada, and those 28-year-olds are a lot of young people who did what their high school counsellors and parents told them to do. They went to university. They got the degree. They were encumbered by the debt and too many of them found themselves unable to find employment in the fields for which they obtained their degrees, ended up in the service economy or at the bottom of the labour market, frustrated, carrying debt, until they decided to go back to college or into an apprenticeship program.

What I'm trying to say is we cannot perfectly replicate the Germanic system here but we can try to drive toward their sense of the parity of esteem between trades and professions, apprenticeships, and universities. We can ask our employers to emulate the deep financial commitment of European employers to trades, training, and apprenticeships, and all of us should be encouraged, especially from the secondary schools, on a kind of recreation of this idea of experiential learning and vocational training.

• (1140)

Mr. Scott Armstrong: One of the biggest differences I saw as an educator was the amount of resources the employers themselves were putting into the system.

Do you want to quantify some of that and explain the difference between what Canadian employers are—

Hon. Jason Kenney: In Germany, to give you a concrete example, employers collectively spend 38 billion euros, over \$50 billion Canadian, a year on apprenticeship programs alone. We asked every employer if they were concerned about poaching. That's why a lot of Canadian employers don't go to apprenticeship programs. They said it's not an issue as they all have a sense of responsibility. If they have the scale, like the *mittelstand*, medium-size businesses, or the big employers, they do it. They have a sense of social obligation.

We are concerned. According to the OECD, Canadian governments are at the top of the developed world in investing in skills development but Canadian private sector employers are toward the bottom of the developed world in these investments. According to the Conference Board, private sector investments in skills development declined by 40% in real inflation-adjusted terms between 1990 and 2010. This concerns me, which is why we are encouraging employers...if they're going to come to us demanding more temporary foreign workers, I'm going to continue to ask them what they are investing in training programs.

• (1145)

The Chair: Thank you, Minister.

That ends our first round of questioning.

We now move on to our five-minute rounds. We begin with Madame Groguhé.

[Translation]

Mrs. Sadia Groguhé (Saint-Lambert, NDP): Thank you, Mr. Chair.

Thank you for your presentation, Mr. Minister.

In the beginning of your presentation, you talked about the Social Security Tribunal of Canada (SST). That is what my questions are about.

There is a lot of concern about the backlog. Murielle Brazeau, the chair of the SST, has shared with us various findings, particularly in terms of staffing. She told us that 21 new members would be joining the teams to help them clear up the backlog. You are saying that you want to act quickly, but she says that it will take five years to clear the backlog. In addition, the new members will only start their positions in March. Is that not another reason for concern?

Hon. Jason Kenney: Thank you for the question, madam.

I am pleased to inform you that, after a meeting this morning, we have appointed 22 part-time members to the SST. Almost all those members worked with the former Pension Appeals Board. As a result, they do not require as much training, which clearly takes a few months.

In addition, we have transferred 12 decision-makers at the SST from the employment insurance division to the income security division, because of the drop in the number of appeals filed by people whose EI claims were rejected during the internal review process of EI files.

So there are 33 additional decision-makers for the Canada pension plan. I asked the chair of the SST to tell me what she plans to do to clear up the backlog. To do so, she has hired a company to develop a productivity model. Additional decision-makers might need to be hired then.

Mrs. Sadia Groguhé: Okay.

Ms. Brazeau also told us that there are no performance measurements in place right now. You said that you wanted to go ahead and quickly implement performance measurements, which are essential.

Hon. Jason Kenney: Yes, absolutely.

The chair of the SST told me that, on average, decision-makers process 2.5 cases per week. I don't know whether that is acceptable or not. She has hired a company to analyze the work of the decision-makers and establish a productivity model. We will then be able to know how many decision-makers will be needed to tackle the backlog and provide a good level of service.

• (1150)

Mrs. Sadia Groguhé: Very well.

What is your objective in this matter? When do you think the situation will be corrected? How much time are you giving yourself to get there?

Hon. Jason Kenney: I'm sorry, madam, but I have no idea what the date is because I am waiting for the opinion of the chair of the SST, who will rely on the productivity model. She said that she was

going to receive the consultants' report this fall and then tell me what she intends to do to clear the backlog.

We are adding resources to the SST and I am open to the idea of adding even more.

[English]

The Chair: Thank you.

Mr. Mayes, for five minutes.

Mr. Colin Mayes (Okanagan—Shuswap, CPC): Thank you, Minister, for being here.

I want to talk a little bit about the targeted initiative for older workers. The sectors in the economy are changing, and as they change, of course jobs are lost. I was talking to a fellow in the steel industry. He told me that to produce one tonne of steel only takes 1.8 man-hours. It's unbelievable.

There are a lot of older workers who have to be retrained. You have budgeted \$75 million over three years for renewal and expansion of this target initiative for older workers. I just wonder if that expansion would help the criteria for community eligibility also. Will more communities be able to participate in this program?

Hon. Jason Kenney: Yes, the targeted initiative for older workers is a transfer that we give to provincial and territorial governments to focus on training programs for folks over the age of 50 who have lost their jobs, typically in older, traditional industries, to try to get them relevant training for new jobs. We spend \$25 million a year on this currently. We have worked with the provinces to renew the agreements recently.

I'm not familiar.... Can someone in my department answer? Have we expanded the eligibility criteria?

We'll get back to you on that.

Mr. Colin Mayes: Okay.

I'll move to Pathways to Education. There is an assessment of how that funding is working and how the program is working. There was an evaluation made. I'm just wondering what the results are from that evaluation of Pathways to Education.

Hon. Jason Kenney: Well, Pathways to Education was a statutory grant announced, I think, in budget 2008. It's an excellent organization. It started in Toronto and is a fantastic model of working with disadvantaged youth. They started originally, I think, in Regent Park, a really tough area in Toronto. They had phenomenal outcomes there, in terms of high school completion and youth going on to post-secondary education.

I believe there has been a preliminary evaluation done, which has been quite positive.

A statutory grant, Mr. Mayes, is designed to allow Pathways to expand their programming to other cities. They've gone to a number of other centres across Canada. My understanding is the preliminary evaluation is quite positive. We are looking at whether or not to renew the statutory grant.

Mr. Colin Mayes: I'm going to another topic now, to Ready, Willing and Able, and CommunityWorks, initiatives for people with disabilities.

Has there been a good buy-in by employers? We've announced \$15 million over three years. Do you feel that the employers are going to support this? For it to work, that's what has to happen. I just wonder if you're getting any feedback from employers on their willingness to participate in this program.

Hon. Jason Kenney: Again, your chairman is something of an expert on this particular question.

We're working with an organization, the Canadian Association for Community Living, which has an awful lot of experience in connecting persons with developmental disabilities to jobs, which is why we felt confident in this additional \$15-million investment over three years, again through a statutory grant that you find before you in these supplementary estimates.

Yes, I think the experience is very positive.

Let's be blunt. Employers continue to complain increasingly about skills and labour shortages in a growing number of regions and industries of the country. One reason we tightened up the temporary foreign worker program was to say to them that before they look abroad to fill their labour needs, they should look in their own communities at unemployed youth, recent immigrants, aboriginal folks in their region, and at persons with physical and mental disabilities.

There are a lot of great community organizations that are represented by the Canadian Association for Community Living who have years of experience in this. This is a little bit of a boost to them.

My point is that more and more employers realize that if they want to find workers, they have no choice but to make the accommodations necessary to help locally disabled folks get into the workforce. The anecdotal evidence is very strong that more employers are getting involved in this.

There are some real models out there. There are some local franchises, a majority of whose workforce in the service industry is made up of folks with developmental disabilities. These are typically people who bring a wonderfully uncynical attitude to work.

• (1155)

The Chair: Thank you for that.

Madam Sims, for five minutes.

Ms. Jinny Jogindera Sims: I want to thank the minister for extending his stay with us, because I know how much he enjoys being here as well.

Hon. Jason Kenney: You can't get rid of me. I'm like a bad cold.

Ms. Jinny Jogindera Sims: Anyway, the report on plans and priorities earlier this year showed a cut, or at least a planned cut, of 56 full-time employees in the integrity division of Service Canada. How many full-time employees are now working on enforcing and monitoring the temporary foreign worker program? How many new investigations has your government conducted on the temporary foreign worker program since June 26? How many names have been added to the employer blacklist and how many investigations of workplaces have taken place?

The Chair: I will just intervene here briefly, Minister, before you answer that question.

The first question you had, Madam Sims, had multiple layers of data that you requested. I understand your desire to get that data. I just don't think this is the forum at this meeting to put officials and/or others scrambling for data that perhaps if they'd had some prior notice about having the need to bring it, they would have brought. So, perhaps through me, if you don't mind, you could pose those questions. I would like to get your notes or your written requests, which I could submit to the minister or you could submit them directly and then back through me. I just think today is not for requesting data like this time after time. So please move on to another question.

Ms. Jinny Jogindera Sims: Absolutely. Thank you.

Just to clarify, Minister, I will submit these written questions, because I'm sure you may not have been able to write them down as quickly as I said them.

Hon. Jason Kenney: Honestly, I'm happy to come in and answer if you give us a heads up. But if this is gotcha, has the minister memorized every stat in his department, you're always going to win.

Ms. Jinny Jogindera Sims: Minister, let me assure you, it wasn't a gotcha moment. I could think of far better gotcha moments. This is just an interest in finding out what's happening.

Getting on to the EI issue, Minister, one of the things that happens in my office, and I'm hearing this from a number of MPs, is a lot of constituents are saying that when they call about EI, CPP, OAS claims, they hear a message about high volumes. Are you aware of how many people are calling the client satisfaction office to register complaints? Once again, if you don't have that number, we can get that at a subsequent meeting.

Hon. Jason Kenney: I'm told by officials we don't have the number, but obviously there are a lot of dissatisfied clients who can't get someone on the phone in a reasonable amount of time and I am concerned about that. We are reviewing the Service Canada call centre to see.... I'm told that response times are improving and that it's headed in the right direction, but not as fast as I would like and I'm looking at what else we can do to improve this. I'll just stop there and talk to you offline about some ideas I have.

• (1200)

Ms. Jinny Jogindera Sims: Thank you, Minister.

Minister, being a teacher I get excited when you start talking about education and all of the things we need to be doing. As a classroom teacher and a counsellor at a high school I watched the apprenticeship program being gutted, in our province at least, but I also watched the practical courses, the labs, the mechanics shop, the drafting shop, the woodwork shop, the metalwork shop not being updated enough. As K to 12 education is a provincial matter, what conversations have you had with provincial partners to ensure that there is a massive infusion of funds into the post-secondary system to engage students in a meaningful way in the hands-on crafts? I found that was the best way to get somebody into those areas, because once they went to the metalwork shop and they did a little bit of welding and found out all the exciting career opportunities, they could move on.

The other thing is, and I was not surprised, because I've read the same report, that the private sector is at the bottom of the list in regard to investments in skills development. What initiatives have you come up with to encourage our private sector to step up to the plate? I say this, because I've seen how it works. When I was growing up in England my brothers were the beneficiaries of some excellent apprenticeships that they went into and then went on to finish their degrees.

Hon. Jason Kenney: Of course the provinces control most of the direct policy levers in this area.

In direct response, what have we done to encourage and increase private sector investment in skills development? The answer is that we are retooling all of the major federal skills development programs, most of which are transfers to provinces and territories to emphasise the importance of employer involvement to get the employers to put more skin in the game. That was the whole point behind the Canada job grant.

Employers tell us, especially the SMEs, that the number one reason they don't spend more on apprenticeship and other training programs is that they are concerned about poaching, that if they invest \$10,000 or \$20,000 in an apprentice or training program, the young person will, once fully certified, be poached by a bigger employer with deeper pockets and a larger payroll.

The idea of the job grant was to reduce the risk exposure for SMEs to invest in skills training. If we came in and offset, say, two-thirds of the training unit costs, they would then be more comfortable putting in one-third of the cost. It diminishes the risk for employers who are involved in training, and we're very hopeful. It's too early to say whether that will be a success or not, but we're very hopeful about the model.

Similarly, we got provinces to commit to the new Canada job fund agreements, which is the new version of the old labour market agreements, to put at least 40% of their programming into employer-led training, so employers put more skin in the game there.

Regarding labour market development agreements, we're trying to get the provinces to renew the LMDAs. That's a \$2-billion EI premium-funded training program for unemployed Canadians. We're asking them to make a key emphasis on programs that are employer led and demand driven, moving from the old 1970s manpower training model, which was supply driven, to a 21st century employer demand-driven model where they have to put money in to benefit

from the program. That's what we're trying to do. We need the cooperation of provinces and we're starting to get it.

The Chair: Thank you.

Mr. Butt, you have five minutes, sir.

Mr. Brad Butt (Mississauga—Streetsville, CPC): Thank you, Minister, and others for being here today.

I'd like to start by talking about the new horizons for seniors program. In the supplementary estimates there is a request for an additional \$5 million. This is an outstanding program. I don't think there is a community, seniors association, or organization in Canada that hasn't benefited from this program.

I have a couple of questions. If the allocation is being increased by \$5 million, what is the base now? Are we looking at or giving any consideration to raising the cap per application? I believe \$25,000 is the maximum now that a group can get. Are we looking at any sort of increase down the road in the level that the organization can receive?

Hon. Jason Kenney: Mr. Chairman and Mr. Butt, the answer is that we have been spending about \$43 million—well, last year it was \$38 million—on the new horizons program. As you mentioned, we're increasing it by \$5 million to \$43 million. The results have been that, since 2004, 14,000 projects have been funded in over 1,000 communities. There was a program evaluation done in 2010 that resulted in minor adjustments, such as expanding the list of eligible recipients to include businesses and consolidating three previous funding streams into two. The next program evaluation is anticipated next year.

I will take under advisement your suggestion that we expand the maximum grant that people can receive.

● (1205)

Mr. Brad Butt: At this stage then with that most recent change, could a for-profit organization qualify for a new horizons grant? When you say business, do you mean a not-for-profit business?

Hon. Jason Kenney: No, as long as the for-profit business has multiple partners.

Mr. Brad Butt: So a long-term care facility is an example, or a nursing home that wants to run a recreation program within their centre. They happen to be in business for profit, but they're probably partnering with a local community organization that's coming in and doing fitness one day a week for the seniors or something.

Hon. Jason Kenney: Exactly. Precisely.

Mr. Brad Butt: That kind of thing would qualify.

Minister, you've been to my annual employment forum in Streetsville, and I just held it again a couple of weeks ago. People are always amazed when their MP invites them to come and we have a whole bunch of agencies in the room and they talk about their services.

My constituents are telling me that they are amazed at the number of services that are available in the community, delivered at the federal, provincial, and local levels. They come to the forum, and they leave saying that they had no idea all of these services were available.

I know it's tough to communicate to everybody and for people to know about every program. What more can we do so that if I lose my job tomorrow—or as Rodger would like me to do, to lose my job on October 19, 2015—I can go online quickly, or somewhere, to find out what resources are in my local community, in my area? Many of these are free. There is no charge for people to avail themselves of these services, to look at retraining and all these other things.

Is there, or have we developed, or are we working on a one-stop shop where I can literally type into Google “Lost my job, what do I do next?” and something comes up and puts a path in place for me so that I can get a new job? Are we working on something like that?

That's the number one thing I get from people: they had no idea all of these resources were there.

Hon. Jason Kenney: I share your frustration.

Our ability to raise awareness about the availability of these programs is limited because by and large they are not delivered by the provinces. Since the late nineties, with the devolution of labour market programming from the federal to the provincial governments, they took ownership of this. I know you have views about how Employment Ontario is or is not doing its job to raise public awareness of these programs.

We are doing some things at ESDC to increase uptake and awareness of the programs. First of all, we are upgrading our website and our web presence. We are about to launch, early next year, Canada Job Bank 2.0, which will be a much more interactive website, and I hope it will also be connecting people to the many programs that are available.

We are looking at launching a massively upgraded dial 211 system so people who need employment support can get someone directly on the phone who can direct them to the appropriate program.

I've asked provinces, in the negotiations we've had, to renew the labour market development agreements, now the Canada job fund agreements, etc., and to do a better job of reaching out proactively. One of the key priorities we have for provinces in LMDA renewal is not to sit there passively in their Employment Ontario office or wherever, waiting for the unemployed Canadian—that's not going to happen to you, but for Rodger in November of 2015—to knock on the door. We don't want them to wait there passively. We'll be sharing information with them on who is unemployed. We want them to pick up the phone and call those clients.

This is what they do in Germany, early intervention, active measures. Call them in and say, “Get in here within a week of losing your job and let's work out a plan to get you the relevant training, to

connect you with an employer.” That is the big push we're making with provinces through the LMDA.

My frustration is not just with employment services, but with foreign credential recognition. We are spending something like \$30 million a year on efforts to streamline and accelerate foreign credential recognition, pre-arrival orientation, etc., and yet when we do focus groups and public opinion research, virtually no immigrants know anything about these services that are available. Yes, we do broadly have to do a better job of promoting these things.

• (1210)

The Chair: Thank you, Minister.

Minister, I'll just mention that in this round we have two more five-minute rounds, and that would take us to approximately 12:20. Do you wish to continue at this point? Finishing this round would take us to about 12:20. Is that okay with you?

Hon. Jason Kenney: That's fine. Yes, the Egyptian ambassador can wait.

The Chair: Madam Sims, go ahead.

Ms. Jinny Jogindera Sims: Thank you very much.

I want to follow up on the idea you put forward of trying to model some of our stuff on the German system, such as the early engagement of students.

I am still struggling with what tools you have in your hands federally to convince the provinces that they need to do this at the secondary school level.

Hon. Jason Kenney: At the secondary school level we have very few.

I would invite input from this committee on whether or not the \$8 billion that the Government of Canada transfers to provinces in the Canada social transfer, in part to support post-secondary education, ought to have at least some reporting requirements, if not conditions in terms of labour market outcomes.

I note that the House of Commons Standing Committee on Finance chaired by our brilliant colleague James Rajotte has recommended this repeatedly, Ms. Sims. I have raised this with the provinces.

Let me put it to you this way. We are increasing the CST to provinces by 3% a year, and yet when I look at many of the in-demand programs in the polytechnics and community colleges, some of them, such as power engineering at NAIT or welding at BCIT, are turning away as many as 90% of the qualified applicants for those programs. Welding at BCIT has a two-year backlog, even though those are in-demand and good-paying jobs.

This makes no sense. I quite frankly doubt that there's a two-year backlog to get into a sociology program at Simon Fraser University. So I'm asking the provinces, and B.C. is doing this, to begin looking at allocating their PSE resources at least in part to line up with labour market outcomes.

Ms. Jinny Jogindera Sims: Thank you.

I have a brief question about the veterans offices having been closed.

Do we know whether Service Canada—

Mr. Scott Armstrong: Mr. Chair, on a point of order, I don't think this has anything to do with veterans' issues or with the supplementary estimates (B).

The Chair: I would tend to agree. I was slightly distracted exactly when this exchange happened. I'm going to ask Madam Sims—I know I've given lots of latitude today—to please keep it relative in some way, shape, or form to the estimates.

Is this a point of order, Mr. Cuzner?

Mr. Rodger Cuzner: Yes, it's a point of order.

I'm not exactly sure where she's going with the question, but certainly, in light of the fact that Service Canada outlets have had to assume the responsibility for the Veterans Affairs offices that were closed in Sydney, there's a chance that this may be relevant.

Maybe we should hear the question.

The Chair: I am still going to ask Madam Sims to drill to that level to ask the minister the question whether it is the case, because I'm not certain it is the case. I'm not certain of the business model, in terms of whether it should.... So if that's where you're driving to the question, that is fine.

Ms. Jinny Jogindera Sims: My question is very specific, Mr. Chair.

The Chair: I'll let you proceed, but please don't go too far off.

Ms. Jinny Jogindera Sims: My key question here is, did Service Canada hire more staff to deal with the additional responsibilities? Is the staff trained to respond to the specific needs of veterans?

Hon. Jason Kenney: Service Canada didn't hire additional staff, but Veterans Affairs Canada has worked out an arrangement whereby Veterans Affairs have put their staff in Service Canada offices so that people can actually speak to a VAC specialist. We've opened eight service centres as a result of this and are looking at potentially expanding that platform.

•(1215)

Ms. Jinny Jogindera Sims: Thank you very much.

Another thing I want to go back to, Mr. Minister, is the literacy money that has not been utilized. We all know that literacy levels are very important, and critical especially for people who go into entry-level jobs, if we want them to move up, whether into apprenticeship programs or even for going back to school to finish university or whatever it is. Specifically I'm very concerned about the amount of money that hasn't been allocated.

In my riding specifically, as in many across the country, I know that tackling illiteracy, especially functional illiteracy, becomes very important. I just wanted to get that on the record.

I believe Madame Groguhé has one question.

[Translation]

Mrs. Sadia Groguhé: I will be quick.

My question is about the new horizons program, more specifically about how the \$5 million will be allocated.

How much will go directly to this program, which deals particularly with elder abuse?

Hon. Jason Kenney: I am not sure whether we can obtain that information, but if we can, we will forward it to you shortly.

Mrs. Sadia Groguhé: Very well.

Still in reference to the new horizons program, many organizations have told us that the projects under the program last one year only. When they expire, the organizations have to submit a new application for another project.

Are you considering the possibility of providing funding over three years rather than funding per project? Do you think that would be possible?

Hon. Jason Kenney: I will ask Ms. Wilson to answer.

[English]

Ms. Gina Wilson (Associate Deputy Minister, Department of Employment and Social Development): We've recently adjusted the program to have in its terms and conditions projects that are more than one year old.

The Chair: That's all the time we have on that round.

We'll move to our last questioner, Mr. Maguire, for five minutes.

Mr. Larry Maguire (Brandon—Souris, CPC): Thank you, Mr. Minister and others, for being here today.

I have a couple of questions around the Ready, Willing and Able initiative. My colleagues have asked some questions on this, but in regard to the allocation of the \$15 million over three years, of course, it's noted that it's including autism spectrum disorders and others. Can you indicate to me, of the moneys that were allocated, what specific planned activities would be funded with those initiatives from the CommunityWorks program?

Hon. Jason Kenney: With the additional funding, the Canadian Association for Community Living will expand the existing activities to 20 community based locations across Canada and host 40 employer forums that will support up to 1,200 new jobs for persons with developmental disabilities.

Mr. Larry Maguire: Thank you.

There's been a request here for close to \$800,000 in grants and contributions for the Canada job fund. Can you indicate to what purpose those additional funds will be used? I know the Canada job grants are quite successful, and I'll have some questions on that as well, but there is \$799,222, I believe it is, in grants and contributions.

Hon. Jason Kenney: Thank you. This will allow for....

Alain.

Mr. Alain P. Séguin (Chief Financial Officer, Department of Employment and Social Development): This is basically a reversal of the supplementary estimates (A) that was put forward. That was put forward to allow the department to undertake federal delivery of the Canada job grant and fund in anticipation of the provinces signing on. At that point we were not in a situation where the provinces had signed on, so we were getting ourselves ready in case there was a federal delivery. This is reversing that, so it's all back into the program.

Hon. Jason Kenney: This was plan B money that we were preparing to spend, and thankfully didn't have to.

Mr. Larry Maguire: Thank you.

I know the Canada job grant had a successful announcement at the launch in Manitoba, as you pointed out earlier. Do we have any other agreements signed?

• (1220)

Hon. Jason Kenney: Yes, we have reached final agreements with all 13 provinces and territories. As I mentioned, I believe eight have opened their systems for taking applications. A couple of the provinces report to me that, although these are early days, the employer interest has exceeded their expectations. It's unfortunate that the applications are generally opening up in the third quarter of the calendar year, so it's a bit of a late start. Having said that, employer organizations are expressing very keen interest. This comes back to Mr. Butt's point about awareness. They want to make sure the SMEs in particular know about the availability of the program, and do in fact apply for it.

Mr. Larry Maguire: It's good to know that. Thank you, Mr. Chair.

The Chair: We're at the end of that round.

Would you like to make a closing comment, Minister?

Hon. Jason Kenney: I would like to come back to Mr. Mayes' question about the targeted initiative for older workers.

The implication of his question was correct in that we have expanded eligibility. It used to be for communities with populations of under 250,000. This program was started largely to deal with lumber towns during the downturn in the lumber industry, so it was originally limited to communities of under 250,000 with high unemployment. We've expanded that to include communities with under 250,000 people, with high unemployment or with unmet demand for skills. That is to say, you might have some communities in northern B.C. where they have relatively low unemployment but where there are labour shortages, and some older workers might benefit from this programming.

I want to clarify. I think I said that we opened eight Service Canada offices for veterans services. In fact, what we did was provide Veterans Affairs a platform in eight pre-existing Service Canada offices.

I also note that the closure of those offices is a matter of contention, but it happened because there was very modest use of those offices. I note that as of September, in the eight VAC service centres being operated in Service Canada offices, nine—not 900, only nine—reservations had been scheduled for case manager meetings.

The Chair: Minister, I can't help but thank you immensely for your generosity of time for this committee. It's not typical to have a minister extend his or her time as you have.

I thank your officials for being here as witnesses today in the estimates process. It went far beyond estimates, as you had predicted at the start.

Minister, thank you so much.

We are going to recess the meeting for a short period of time to let the minister exit, and then we will reconvene the public meeting for two quick votes. Then we will go in camera for committee business.

• (1220)

_____ (Pause) _____

• (1225)

The Chair: Committee members, we are still in the public session. We're not yet in camera, and we have two small items to deal with, and they are the actual votes, approval of what we've been studying, which, as you know, is the supplementary estimates (B). There were two items seeking approval.

EMPLOYMENT AND SOCIAL DEVELOPMENT

Vote 1b—Operating expenditures.....\$6,204,438

Vote 5b—Grants and contributions.....\$43,024,222

(Votes 1b and 5b agreed to on division)

The Chair: Thank you very much.

Shall the chair report the same to the House?

Some hon. members: Agreed.

The Chair: Thank you so much.

We will break again to allow us to go in camera.

[*Proceedings continue in camera*]

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