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Mr. Bryan May

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

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•(0845)

[English]

The Chair (Mr. Bryan May (Cambridge, Lib.)): Good morning, everybody.

We are going to move forward fairly quickly. We have a lot of witnesses today, and unfortunately, we are going to have to cut short for some committee business, as well as votes that are going to creep up at the end.

To get right into it, pursuant to Standing Order 108(2) and to the motion adopted by the committee on Monday, June 13, 2016, the committee is resuming its study of poverty reduction strategies. I'd like to welcome a very large group of people today, including some who are joining us by phone or by video conference.

First off, we welcome, from the Hamilton Roundtable for Poverty Reduction, Laura Cattari. Coming to us from Toronto, Ontario, via video conference, we have Alexandre Laurin, director of research for the C.D. Howe Institute. Also we have here today, Mr. Randy Lewis, former senior... Actually, he's not here yet. We'll introduce Mr. Lewis when he arrives.

We have from the Keewatin Tribal Council, on the phone with us today, George Neepin, executive director. Then we have Valérie Roy, director general of the Regroupement québécois des organismes pour le développement de l'employabilité, and Mr. Kory Wood, president of Kikinaw Energy Services.

Welcome to all of you. We are going to try to keep our remarks as tight to seven minutes as possible, please.

To start us off, from the Hamilton Roundtable for Poverty Reduction, Laura Cattari, welcome.

Ms. Laura Cattari (Campaign Co-ordinator, Hamilton Roundtable for Poverty Reduction): Good morning, Chair, Vice-Chairs, and committee members.

My name is Laura Cattari, and I am speaking to you today on behalf of the Hamilton Roundtable for Poverty Reduction. In May 2005, the Hamilton Roundtable for Poverty Reduction was co-convened by the Hamilton Community Foundation and the City of Hamilton. It was born out of concern for a 20% poverty rate affecting community health, our economic and social development, and the well-being of thousands of our residents.

Since then, we have engaged diverse stakeholders, consulted widely, reviewed findings from local consultations on poverty-

related issues, and explored best practices. The Hamilton Roundtable has become an organization that helps drive community change and action. We have come to realize poverty is complex; it is impossible to isolate a single approach that will be a cure-all for poverty. Furthermore, pre-employment issues are a significant barrier to gaining meaningful employment.

The stabilization of individuals is not a matter of handouts but investment in critical care. From job loss to domestic violence, poverty is often a reflection of crisis in a person's life. Tackling poverty needs to address incomes and expenditures in many aspects of daily living. Taking that into account the following recommendations in the areas of income security, wages, financial literacy, employment, child care, health care, and affordable housing are outlined.

In times of need, we believe supports for individuals should not be a source of trauma in and of themselves, yet because of part-time hours and short-term contracts, only one in five workers are qualifying for employment insurance in Hamilton. Ensuring that people who work low-wage jobs, short-term contracts, multiple part-time positions, or irregular hours are able to access employment insurance means less stress and the need to look for new housing in times of unemployment. Conversely, lack of affordable housing has left people living so precariously that they have lost employment after a chain of unfortunate incidences.

Despite federal assistance programs, poverty among seniors is still increasing. Currently 11,000 of our 75,000 seniors in Hamilton live in poverty. Yes, they also seek part-time employment. CPP indexation of retirement, disability, and survivor benefits have not kept up with food, shelter, and basic goods.

Currently CPP disability payouts are low enough to still leave recipients eligible for the Ontario disability support program, which in itself is far below the poverty line. While we encourage people with disabilities to seek appropriate employment, we have an obligation to make sure they are attempting to do so in optimal circumstances that do not further harm their health.

We ask for the immediate expansion of all forms of CPP, ensuring low-income workers are not harmed in its rollout. Our round table also believes the federal government has a critical role to play by showing leadership in the battle against low-wage work. The federal government could start by increasing the federal minimum wage to \$15 per hour, but it could go further as well.

The federal government has enormous leverage through its procurement policies to influence low-wage contractors to set a higher standard. Instead of confirming contracts on the basis of the lowest bid, what if we asked ourselves which contractors were paying their employees a living wage, or which contractors are helping to create a healthier society?

In regard to financial literacy, I'd like to relate to you a comment from a caseworker at a local Catholic family services credit counselling office. I was told, "The debt issue is not a matter of budgeting but insufficient income. People are frugal but emergencies arise and along with it, debt."

The round table has focused instead on payday loans. In a financial emergency, many people with nowhere else to turn seek short-term assistance from one of more than 1,500 payday loan outlets located across Canada. While the financial need is often short term, the implications can be long-lasting.

Over the past 20 years, the payday loan industry has been only too eager to prey on the financial desperation of those living in poverty, particularly the working poor. Consider this, while a \$21 fee on \$100 of borrowed money may seem like a manageable sum, loans are provided for a very limited time period. Usually two weeks is the maximum term of the loan.

• (0850)

When annualized, the interest rates that lenders are charging is closer to 550%. Many customers fall hundreds, even thousands, of dollars in debt to payday lenders before they know what hit them. We urge the federal government to get back into the business of protecting consumers and once again regulate the payday loan industry by reimposing the 60% criminal interest rate maximum.

Would you like to engage more women in the workforce? That means child care expenses. Only 20% of children aged zero to five have access to regulated child care. In Hamilton, high-priority neighbourhoods don't even have child care centres. According to research undertaken by the past chair of the Hamilton-Wentworth District School Board, in one north Hamilton neighbourhood there were 1,755 children under 12 years old. There were zero licensed child care spaces available in that neighbourhood. Affordable universal child care, with a focus on placing centres in high-priority areas, will see neighbourhoods revitalized.

Finally, we cannot ignore the truth that low-income workers lose their jobs due to illness all the time and that 62% of low-wage, part-time, or contract workers do not have access to private insurance plans. One in four households do not take prescription medications because they cannot afford to. A universal pharmacare program would reduce the cost of prescription drugs and benefit workers with little access to private insurance plans, sparing them from deciding whether to pay for food, shelter, or medication.

Thank you.

• (0855)

The Chair: Thank you very much.

Now we will hear from the C.D. Howe Institute. Mr. Laurin is coming to us from Toronto, Ontario.

It's all yours for seven minutes.

Mr. Alexandre Laurin (Director of Research, C.D. Howe Institute): Thank you, Mr. Chair and members of the committee. It's a pleasure to be part of your consultations this morning.

I was invited to talk about the impact of the tax and transfer system on work decisions by low-income families. What I'll be presenting is based on a publication that I published earlier this year. It's entitled "The High Cost of Getting Ahead: How Effective Tax Rates Affect Work Decisions by Lower-Income Families". Due to the short notice for this appearance, I did not have enough time to have it translated for distribution, but it is available on our C.D. Howe website. Basically, I will simply make the following points today.

First, geared-to-income fiscal benefit programs provide valuable financial assistance to families. However, these benefits might come at the expense of effective tax rates for secondary earners in two-earner families, especially at the lower-income levels, with higher tax rates, thus reducing the gains from working. Policy-makers must be aware of this effect when they contemplate further expansion of the targeted financial assistance system.

Let's start with every year. Canadians file tax returns and calculate how much tax they owe to federal and provincial governments. On top of that, tax filing also serves another purpose. It serves to determine family entitlements to fiscal benefit programs such as the Canada child benefit, the GST tax credit, provincial programs such as the Ontario trillium benefit and the Quebec's social solidarity program, and many others. Those are payments from governments to taxpayers.

To determine the full impact of the tax system on households' take-home pay, we must therefore take into account the combined effect of fiscal benefit entitlement and taxes. It is not unusual for families at the lower end of the income scale to receive more in fiscal benefits than they pay in personal income tax. As families earn more income, fiscal benefits are reduced at various phase-out rates, and these phase-out rates pile up on top of each other because there are many such programs.

Benefit reductions act like hidden tax rates. Just like a normal tax, they reduce the gains from work. From having tax liability to fiscal benefits lost, we can estimate what we call an effective tax rate, and that's what I have done in my research paper.

There are two types of rates that I calculated. The first is a tax disincentive to earn a little more for employed workers, and this is known as the marginal effective tax rate. It's a tax rate on the next dollar of earnings. There's the disincentive to participate in the labour market at all, and that is measured through what we call the participation tax rate. Basically, a high marginal rate matters because it affects family incentives to work more, for instance, by working overtime or taking a second job, and a high participation rate matters because it affects the incentive to look for a job at all.

Let's take quickly, for example, a two-parent family with two children, with a working mother considering whether to earn extra income. One factor she must consider in her decision is how much of this extra income she will get to keep after deducting income taxes and lost fiscal benefits for her family. At a family income ranging from \$36,000 to \$42,000 in Ontario in 2015, she might lose more than 70¢ per extra dollar of earning. That means her METR, marginal effective tax rate, would be 70%. METRs for working families are generally in excess of 50% or 60% at income levels ranging between \$25,000 and \$45,000. This is family income. Looking at all families with children in Canada, about one in 12—for some people it's a lot, for others it's not much—are at METRs in excess of 50%.

Let's take another example. This time let's pretend the mother is currently unemployed, so she's not working but she's contemplating whether to take a job earning just less than about \$30,000 a year, which is the average income for secondary earners.

● (0900)

How much of her work earnings would her family get to spend after taking into consideration the additional taxes paid and the reductions in fiscal benefits? These sums, or what we call our participation tax rate, will depend on her spouse's income. If her spouse earns a relatively low income, about \$25,000 a year, her participation tax rate will be 50%, or greater, in seven of Canada's 10 provinces.

In 2015, about one in five stay-at-home spouses had a participation tax rate greater than 45%.

In these examples I have given you, I am looking at effective tax rates for secondary earners and families with children, because empirical studies of paid work behaviour estimate that the secondary earner in a family, as well as the low-skilled workers, are much more responsive to wage and tax rates. This means that high METRs or participation tax rates for a child-caring spouse are likely to have an impact on incentives to work longer, to seek part-time work, or to re-enter the workforce, leading to fewer paid work hours than people otherwise might choose.

Therefore, in contemplating new, targeted income support programs, federal and provincial policy-makers should pay special attention to work disincentives stemming from high effective tax rates. They should ensure that any new financial assistance programs do not contribute to increasing already high effective tax rates by adding another layer of geared-to-income benefit phase-out rates at lower income levels.

That's a simple message: just pay attention to the problem.

Thank you for your attention. I am open to questions.

The Chair: Thank you very much, Mr. Laurin.

We're now going to go to, from the Keewatin Tribal Council, George Neepin, chief executive officer.

You have seven minutes, sir.

Mr. George Neepin (Executive Director, Keewatin Tribal Council): Good morning, everyone.

First of all, I too would like to apologize for not having submitted my comments earlier. I've been asked to do a quick overview of our education system in northern Manitoba, particularly for the young people who have to leave our communities to attend school. I guess that would be my primary focus for the 11 communities.

Our tribal council is situated in northern Manitoba, and we have 11 first nations who are members of our tribal council. Nine of our communities are only accessible by air, and the result is that the high cost of transportation in and out of our communities limits the mobility of many of our members to access a variety of services, including education. Our communities, as well, rely on the nearest urban centre, which is Thompson, Manitoba, for many of their services like groceries, hospital, and medical care. Things like that are very costly to attend, but are very necessary in many of our communities.

I want to focus on the young people. In our communities, we're still in desperate need to have high schools in all of the 11 first nations communities that we represent. Five of the communities still have to send out their children to attend high school elsewhere. For this 2016-17 academic year intake, Keewatin Tribal Council student services had 95 approved high school students. We have some students who have gone home due to not attending their classes and other personal issues that they have had to deal with.

Keewatin Tribal Council administers what we call the private home placement program for four of those first nations. They are Barren Lands First Nation, God's Lake Narrows First Nation, War Lake First Nation, and York Factory First Nation. Our private home placement program has had limited funding, and there has been no increase in that program for going on 20 years. The amount of money that's provided in that area has been very limited.

Every fiscal year, we face numerous high school applicants, and our tribal council has had to advocate for more private home placement funding. The other challenge would be the rising costs of tuition and the lack of private home placement homes. If anyone ever has the time to compare what kind of monies we were provided to that of the education system for high school students with the provincially operated schools, there's a huge difference. The provincial school program has annual increases, and they seem to provide care and support to our students. When they bill Indian Affairs, they're reimbursed dollar for dollar, but whenever our funding comes from the department, we get 70¢ to the dollar that the provincial government has access to. There's a significant impact on our abilities to provide adequate services to our students.

To those of you who may not know what private home placement is, when our students leave our communities, we have to find private homes for these students for the school year. It's been 20-plus years since the funding has increased, so we're still dealing with trying to recruit parents who will provide these services for 25-year-old rates. These private homes provide not only the shelter that the children need, but also food. It's like a replacement for the homes that they left.

• (0905)

As I said, there's the rising cost of tuition and those programs have never been increased. That's constantly hampering the ability and the level of services that could be provided to these students while they're away.

Overall, the level of funding continues to be inadequate. In comparison to provincially funded schools, as I mentioned, our band-operated schools do not even compare with the kind of funding that is provided to them.

As I noted, KTC house payments need to increase so that more homes will open their doors for our students who have been having difficulty every year trying to find homes. Subsequently, the retention rate in the private home placement remains low, leading us to have low rates of success stories. I believe that if we could find adequate homes for these children and give them a level of comfort or something comparable to what they would have at home, we would have more successful stories.

KTC student services also continue to administer the AANDC-funded, post-secondary program for six of 11 of our first nations, so six do the post-secondary program. We need more post-secondary funding. Student numbers continue to increase as more want to pursue their career of choice and dreams. It's good to see that more young people want to advance their education, but funding levels have not increased for many years now, so we've not been able to address many of the requests coming in from our communities.

The level of post-secondary funding needs to drastically increase, so our wait-listed deferrals can decrease. Tuition costs continue to rise, and this year the Winnipeg institutions have made it mandatory to include bus passes for students as part of the tuition costs.

At present, KTC, our tribal council, has 90 active post-secondary students in province and out of province, a number that we're very happy to have but we're lacking the ability to provide adequate services and supports to them while they're away from home.

That's pretty much all I wanted to say from the student side. Education is important for our students, and we need to do what we can to continue to support them while they're away from home. The level of supports and assistance that we can provide has a huge impact and influences their success rate while in school. Some students do leave or have to leave the system for a variety of reasons.

As I said, we're doing everything we can to let people know that it's not the children or young people who do not want to go to school, it's our ability to make sure that school is successful for them. I thank you very much.

• (0910)

The Chair: Thank you very much, sir.

Now, I would like to welcome Mr. Randy Lewis who has joined us here. He is the former senior vice-president of Walgreens.

Welcome, sir. The next seven minutes are yours.

Mr. Randy Lewis (As an Individual): Thank you. As you said, I was the former senior vice-president of logistics and supply chain at Walgreens. Part of my responsibilities were 20 distribution centres,

fulfillment centres, to service our 8,000 stores across the U.S. and Puerto Rico.

In 2003, we began planning a new generation of fulfillment centres with two objectives: one, to be one of the most efficient centres in the world; and two, to have an inclusive workforce, with people with disabilities composing one-third of the workforce.

We knew we wanted a sustainable model; that is, people with disabilities and people without disabilities doing the same jobs, working side by side, making the same pay, held to the same standards. We knew that we needed to have an overriding philosophy that we would be consistent in objective but flexible in means. For instance, when we started, we knew that our traditional method of filling out a request and looking for qualified applicants would not be sufficient, so we opened a side door, so to speak, in the hiring process, an intern to hire, where people could demonstrate their capabilities and avoid some of the trip-ups in the hiring process: the exact match to our job description, the continuous job history, the interview for fit. We engaged outside agencies to help us find that workforce, train them, prepare them, and help them through the transition.

The first centre opened in 2007 in South Carolina, where 40% of the workforce have a disability. The second building opened up three years later in Connecticut, where almost 50% of the people have a disability. These are the most efficient centres in the 100-year history of our company.

No doubt we've changed lives. For instance, when I was in Connecticut I talked a young man who has multiple seizures a day who told me he had been looking for a job for 17 years and had been unsuccessful until then, or the terrific HR manager we got with CP, cerebral palsy, who made all As in graduate school, and had 30 in-person interviews and not a single job offer, or the 50-something man with an intellectual disability who took his first paycheque home and came back the next day and asked his supervisor, "Why did my mom cry?" There are stories like that on and on. We're lucky to have them, but with our traditional thinking and processes we would not have hired a single one.

What is astounding is the impact on the entire workplace. We have had to learn to treat each person as an individual instead of an interchangeable part, something we say we do lots of times but in real practice we fall short of. We've learned that disability is just a matter of degree, that we all share a level of brokenness deep down, and that we are more alike than we're different. In the end there is no "them"; it's just "us".

More important, we've learned that the satisfaction of our own success doesn't compare to the joy of making someone else successful. As one manager put it, in this place, people think of each other before they think of themselves. When you have a workplace where everybody is focused on common goals and making each other successful in achieving them, it's like lightning in a bottle.

The idea spread. It spread across all 20 centres, and within four years we had hired 1,000 people with disabilities, and we opened up all the centres to the world to come and see for themselves what an inclusive workforce can be. I would invite you to also come and see for yourself. Hundreds of companies came. Many launched their own initiative, like UPS, Procter & Gamble, Lowe's, Toys"R"us, Marks and Spencer in the U.K., and so on.

When I talked to those leaders about why they launched their own initiative, a cost-benefits study rarely comes up. It's usually a version of, we recognized that we were leaving behind a group of people who can and want to do the job.

• (0915)

We need more leaders and companies to show the way for others to follow, to help companies overcome the fears that this will cost more, this will take more effort, it will make them less competitive, or they will make mistakes and be punished for it. We need more help as employers in finding and supporting that workforce through the transition to successful employment.

This is an idea whose time has come, and we need to make employers the offer, as Don Corleone did in *The Godfather*, the offer they cannot refuse. We need to be able to tell employers, "If you will consider that there is a group out there that you cannot have access to with your current methods, that can do the work, and wants to do the work, and will likely improve the workplace; if you would just entertain that idea, we'll come and understand your jobs, find and screen the workforce that we believe will be capable and successful, and support them all the way through."

As I said, this is an idea whose time has come, and for those who have been involved in this, this is the best work of our lives.

Thank you.

The Chair: Thank you very much, sir.

We have next Valérie Roy, director general, from Regroupement québécois des organismes pour le développement de l'employabilité.

Seven minutes are yours, please.

[*Translation*]

Ms. Valérie Roy (Director General, Regroupement québécois des organismes pour le développement de l'employabilité): Thank you.

Mr. Chair, distinguished committee members, my name is Valérie Roy, and I am the director general of the Regroupement québécois des organismes pour le développement de l'employabilité, the RQuODE. First of all, I would like to thank you for allowing us to present our group's observations and recommendations today.

The RQuODE is the biggest employability network in Quebec. Its 89 member organizations, spread across Quebec, specialize in

developing the labour force. Our members provide employment services to over 80,000 people every year. So the impact on the communities is substantial, and the programs we implement have a significant impact on many types of clientele.

Your study on strategies to reduce poverty, which is linked to education, training and employment, gives us the opportunity to highlight the many social and economic impacts of employment assistance and career development programs, generally speaking. We have three recommendations today that are focused on reducing inequalities, on services provided to vulnerable groups and on social inclusions.

Our first recommendation concerns reducing economic inequalities. In light of an increasingly competitive and mobile labour market, there are multiple obstacles facing individuals experiencing poverty and social exclusion who would like access to employment and, as a result, contribute to Canada's economic development. However, given the scarcity of workers in several sectors, the socio-professional inclusion of clientele experiencing employment difficulties remains a fundamental issue for Canadian society and employers as well as for the individuals.

It has been clearly demonstrated that the various employment assistance programs are highly profitable in the short and long term. According to the Quebec data, all measures intended for the employment assistance clients are financially viable over 30 months at most. For society as a whole, they generate economic spin-offs equivalent to twice the amount invested over a five-year period. Society can also welcome the fact that more people are moving from being claimants to being taxpayers.

But what about the impact on the individuals?

• (0920)

Another Quebec study finds that participation in active employment measures "has a significant increase, overall, in the employment income of employment assistance recipients...". According to research by the Université de Sherbrooke, the movement towards employment also accentuates self-efficacy and self-esteem, while promoting healthy lifestyle habits. Participation in employment measures can also have a significant impact on the local community, for instance by generating a training movement and encouraging the development of empowerment. If work gives the individual professional status and allows for the development of skills and abilities, it is also the best way out of poverty, provided the employment terms are favourable.

These impacts are substantial and show the relevance of positioning employability as a key strategy for reducing poverty and economic inequalities. Therefore, we recommend recognizing the significant economic contribution of employment assistance and career development services provided by specialized resources across Canada. Developing a career development frame of reference through the Forum of Labour Market Ministers would make it possible to promote this recognition and to put this important issue back at the heart of political policies at all levels of government.

For the second recommendation, I would like to talk to you more specifically about the employment assistance services offered to clients under-represented on the labour market. As you probably know, Canada's indigenous communities are among the poorest in the country, which is connected mainly to their low level of education, the wage gap compared to their non-indigenous peers and the exorbitant cost of living in the remote regions.

Despite these difficulties, the young indigenous population is expected to occupy a growing share of available jobs in the coming years. Since 2013, the RQuODE has been coordinating employability and pre-employability services for Inuit in the two employment assistance centres in Montreal and in Inukjuak, Nunavik. The two Ivirtivik centres contribute to reducing poverty and its multiplying effects on the socio-economic development of northern families and communities through professional integration of Inuit by encouraging young generations to stay in school, acquire healthy living habits, and gain financial independence, among other things.

If the Canadian government wants to reduce poverty in indigenous communities, it is essential to encourage their fair and sustainable participation in the labour market, while respecting their needs and their reality. To that end, the intervention model developed by the Ivirtivik centres, supported by the research-action conducted by our group, is an innovative approach.

The statistics also show that people who have lower skills levels or less education have the higher rates of low income. Despite this, in recent years, many federal employment programs for people in vulnerable situations have experienced significant budget cuts or delays in processing applications. Our organizations have told us that, among other things, there are very long waiting times to get funding applications accepted for Skills Link, a program that has, however, proved its worth in mobilizing young people in areas far from the labour market. Adequate funding for these programs and measures is essential to avoid service cuts and to encourage these clients to get out of poverty through employment integration and retention.

So we recommend ensuring access to employability and career development services for all individuals in vulnerable situations through increased funding and more flexible transfer agreements with the provinces and territories.

For the third and final recommendation, I would like to talk about employment as a vehicle for social integration, this time focusing on supply rather than demand.

• (0925)

While employment was once the best way out of poverty, current labour market conditions no longer allow for such a direct correlation. Given the proliferation of atypical work, fixed-term contracts, freelance jobs and involuntary part-time work, many Quebec workers live or are at risk of experiencing socio-economic exclusion.

In addition, while the quality of employment in Canada improved between 1997 and 2015, the quality of jobs held by low-skilled workers is stagnating. It is therefore paramount that workers have access to jobs that enable them to get out of poverty and live well.

People living in poverty often face many prejudices in the labour market, whether or not they benefit from government income support. Indeed, many employers are reluctant to hire people with barriers to employment, such as age, disability, lack of Canadian work experience, or a criminal record. Because of these barriers, these individuals find themselves in poverty or at risk of impoverishment.

If employability organizations are already raising the awareness of businesses in their region about the potential of their clients, awareness-raising activities at the national level would certainly be beneficial.

Since the employment situation is critical to the success of poverty reduction strategies, we recommend improving the quality of employment, including greater accountability and awareness among employers.

Thank you for listening.

[English]

The Chair: Thank you very much.

Last but not least, from Kikinaw Energy Services, Kory Wood, president. Welcome.

Mr. Kory Wood (President, Kikinaw Energy Services): First of all, I apologize for not having notes. I have a business to run and it's not always easy.

I want to share my story of where I'm from and how I was able to overcome some of the adversities that I faced. I come from a small rural community in northern British Columbia. A lot of first nations people live in the small town. My mother was a Cree woman. My Dad was English, whatever, but before I was born my Dad had a workplace injury and he lost his foot. That was before anything I can remember, of course, and he and my mom had split up before I was old enough to remember.

My mom comes from a pretty rough home. There was a lot of loss and dysfunction growing up. My first experience with loss and dysfunction was from an uncle who committed suicide after he got out of jail for murdering his brother, my other uncle. Not long after that, I had the experience of watching another death. My auntie was in the federal Kingston Penitentiary after spending some time in Vancouver's Downtown East Side, and watching how that all happened was an experience I will never forget. In our family, poverty was a bit of a side issue. It wasn't a forefront issue. There was more than enough for us to deal with on a day-to-day basis. Holding our family together at times seemed like a tough task for my mom.

As a teenager starting to deal with the effects of drug abuse, my older brother overdosed when I was about eight or nine years old. Again, it becomes something that you expect, not something you think isn't normal. These adversities kind of come.... I don't know if it's the effects of poverty, but—I'm sorry, I'm kind of at a loss for words here—you realize that you don't have any out.

Back to my father, he wasn't able to work. He was trying to live off about \$450 every couple of weeks from workers' compensation, so the effects for him, with not only his physical disabilities but the mental disabilities.... For our family, I know it was very tough to get by with a single mother who was on and off welfare and a Dad who was in and out of jail.

As a teenager, and as a child, I was able to partake in sports and activities like that, and that was a big part of my developing social skills and confidence. It allowed me to set goals for myself, and one of those goals was being drug-free. At first it was to get to the time I was 15, then it was 16, then 19, 20, and so forth. I started to set some goals as a teenager. I'm not here saying I didn't have my issues as well.

There was a lot to deal with, but when you're trying to overcome substance abuse, even though I didn't have substance abuse, when your loved ones are suffering from it, you are part of it. Setting those goals was a big part of my success in getting out of my teenage years, which was a critical time, drug-free and alcohol-free. As an adult, I started developing more skills.

● (0930)

I worked with first nations youth for four years in a mentorship role. That experience was a big eye-opener, working with kids who are born with disabilities. It's tough to get off the reserve and it's tough to go to school when you're a healthy first nations person on reserve, never mind when you have some of the disabilities that are prevalent in first nations communities.

I set a goal to make sure that I could get into a position where I could go back to help a lot of those people. In my late twenties I started a small business, and that business will have over 40 employees soon. In this next year we'll do around \$10 million in revenue. This is rather irrelevant in this discussion, but what is relevant is that it would have been very easy to follow down the same path as every one of my family. I lost my brother in 2006 to his addictions on reserve. For me, even as an adult, things keep creeping up.

But setting goals for myself has been a big part of staying sober and getting into this world of entrepreneurship. I know that if a couple of things had gone the other way; if a couple of mentors and people hadn't come into my life, I could be down that same path.

Today I'm very proud of who I am and very proud of what I've been able to accomplish. Having young first nations people come up to me and tell me that I was able to be a part of making a difference for them provides a good feeling. I have some good ideas, I think, about what worked for me and what I stress with some of the young people who work with us, both first nations and non-first nations.

I just came here to share my story and hopefully answer any questions or maybe share some of the things that worked for me in my upbringing.

● (0935)

The Chair: Thank you very much, Mr. Wood. I appreciate your doing that.

To begin the questioning, we have MP Zimmer starting us off today.

Mr. Bob Zimmer (Prince George—Peace River—Northern Rockies, CPC): Thank you, Chair, and thank you, witnesses, for coming.

I'm not going to give you much time to breathe there, Kory. I'm just going to start right in on you.

What a great inspirational story. The challenge for us, and what I'm going to ask you, is how do we bring Kory Wood and your inspiration to Canada? We're looking at reducing poverty across Canada, and to hear stories like yours.... There are many reserves in Canada, and there are many indigenous kids growing up in the same situation you have grown up in and been successful out of.

I'm asking you simply what your advice would be to individuals, whether at home or on the reserve, who are struggling to put food on the table. What would be your best advice for us, as a committee? If you wanted to write a statement in our poverty reduction strategy, which you will, what do you want to say? What's your best bit of advice to us? How do we copy your story?

Mr. Kory Wood: I can probably think of three things that worked for me. One was that my stepdad, a traditional first nations man, came to my home at an early age. I grew up going to the sweat lodge regularly and practising our traditional values. He started speaking Cree in our home. That really helped me be proud of who I was and not ashamed. A common discussion in my home growing up was residential schools and the effects of those experiences on both my stepdad and my mom. They weren't in the schools directly, but it got passed down through generations. It still affects my siblings and I and everyone in my family today. So it was the education on that.

Of course, as I said before, there was the setting of goals for myself, both attainable goals and those that seemed completely unattainable at the time. I think that's one of the biggest issues I see with a lot of young first nations people. No one ever told me that I couldn't be successful. No one ever told that I couldn't be a doctor, a lawyer, or a business owner, but they might as well have: teachers, community members, church, police officers, everyone.

I think I would stress the importance of goal setting, however crazy that might seem, and inspiring young people to set those goals and to try, as hard as it sometimes gets, to block out all the noise. I would tell them to set those goals and do whatever they can to get there. A lot of things tend to work themselves out.

● (0940)

Mr. Bob Zimmer: I know you had experience as a community worker earlier on. How many years were you actually a community worker, about four?

Mr. Kory Wood: It was four years, yes.

Mr. Bob Zimmer: We get a lot of requests for funds for different programs, either to get new funding or to get extra funding. You've seen this stuff actually roll out in practice. You're now Kory Wood the taxpayer. At \$10 million a year, you pay a lot of taxes. What would you advise the committee to do? Where would you put the money as the best use of taxpayer money?

Mr. Kory Wood: I never felt, through my four years working with first nations youth, that money was an issue. I thought there was plenty of funding available out there. It was more focusing on the quality of opportunities, not the quantity of opportunities.

I think it would be more investment in, as I said, developing skills to set goals, developing skills to educate ourselves on where we're from, where we are, and where we want to be, not only as individuals but as a people.

Mr. Bob Zimmer: Don't belittle the goals, too. I think I still have a little black book that I wrote some goals down in. I listened to Zig Zigar back in the day, and one of the things he advised was goals. I'm here today because I just wrote down five little statements. It's amazing how things align and you focus on those goals to accomplish them.

I want to ask you one last question. If you were to give one person the credit for helping you change—why Kory Wood is appearing at committee today—who would you give the credit to, and why?

It could be a couple of individuals. Just go for it.

Mr. Kory Wood: It would probably be my stepdad. As I said, he was a traditional man. He taught me a lot and helped me feel proud of who I was and where I was from.

There was also a local family in my community. They weren't aboriginal, but I was good friends with their son. They took me in and helped give me stability. They were an eye-opener for me. I don't want to say their home was without dysfunction, but it was a relatively normal home where you had a strong family, where the man worked, the woman worked, and the family focused on education and those values. It was being exposed to that.

Mr. Bob Zimmer: What are their names, or do you want to say?

Mr. Kory Wood: Cindy and Carfree Gerstel.

Mr. Bob Zimmer: Your stepdad?

Mr. Kory Wood: Danny Glade.

Mr. Bob Zimmer: Thanks.

The Chair: Now, for six minutes, we have MP Robillard.

Mr. Yves Robillard (Marc-Aurèle-Fortin, Lib.): Welcome to all our witnesses. Thank you for being here.

[Translation]

I have a fairly long question for Ms. Roy.

A representative from Actua who appeared before our committee told us that it was important to involve disadvantaged youth and youth living on reserves in new technologies in order to offer them a way out of poverty. Our government has already set up the Canada child benefit, which aims to lift 300,000 children out of poverty

To further reduce poverty among our young people, it has been suggested that we ensure that they acquire skills appropriate for the

digital world so that they aren't left behind. The same is true for adults who are continuing their educations. Since I know you work in the field, I would like to hear your comments on that.

I would also like to know what you think about providing structured early childhood support. That's what we proposed as part of our election platform. This includes support for early childhood educators and a tax credit for school supplies. We know from experience that some teachers, including the ones I had, use their own money to buy school supplies.

Ms. Valérie Roy: Thank you for your question.

I think that developing digital skills is very important. With regard to the nine core competencies in Canada, we aren't talking about computer skills anymore, but digital literacy. It's important to lift young people out of poverty. This also applies to all under-represented groups in the labour market, whether they are socially excluded youth, indigenous people or experienced workers who have difficulty in using technology.

It's important to invest in digital skills development. It can help to bridge the digital divide among Canadians, but we must ensure that Canada has a digital strategy.

In 2015, I attended an international symposium on public policy and career development in the United States. One of the findings of the Canadian delegation was that there was still inequality due to the high cost of Internet services. We must ensure that people living in poverty have easy access to Internet services so that they can use new technologies.

I think it's very important to invest in developing and using these technologies. That said, developing the skills of young people or even adults does not only involve the use technology. It should also be used to integrate into society and the labour market. Improper use of skills and technological tools can have a detrimental effect on young people.

Yes, it can lift people out of poverty, but for it to work well and be well integrated, Canada needs a national digital strategy, whether it involves developing academic skills or workforce skills.

Going back to what you said about early childhood, I think it's important to give a tax credit. It's good to begin developing these skills from early childhood because, these days, they are required in all areas of life. Education is also needed.

● (0945)

Mr. Yves Robillard: Do you find that educators, especially early childhood educators, receive enough tax credits and other things like that to compensate for the lack of financial resources facing education?

Ms. Valérie Roy: Employability organizations do not represent early childhood centres, but these people should, indeed, have more resources. I have often heard that they have to pay for some things out of their own pockets. It's important that they have the tools necessary, but there should also be some support, a government strategy behind this. That said, I think there should be more tax credits in this area.

Mr. Yves Robillard: Thank you.

In terms of employability development, do you use different methods with the Inuit community than you do with employees in urban areas?

What lessons learned in urban settings, like Laval or Montreal, can you adapt when you are looking to develop employability in indigenous communities?

Ms. Valérie Roy: Thank you for the question.

Yes, the methods we use are different. For the past three years that our organization has been working with indigenous communities, we have found that conventional, traditional labour force development tools, public employment services, have not worked, despite the impressive structure. In fact, there are a lot of very interesting public services in Canada, but they are not tailored to the specific characteristics. So we have had to adapt them to the specific cultural realities of indigenous communities. So, yes, we have to adapt them when we intervene in urban areas. Often, when people arrive in urban areas to gain a place in the labour market, they already face many challenges. There are many mutual prejudices to be blurred. There is also the language barrier, especially in Quebec, where French is required in addition to English.

In fact, we are reviewing all the tools that exist at the moment. We will give you a copy of our study on that. It is very important to adapt to cultural specificities. Let me mention that 15 years ago, we started developing tools for employment integration and retention for immigrants. Over the last two or three years, we have begun to address this issue with respect to indigenous people. We must completely change our approach.

Mr. Yves Robillard: Thank you.

[English]

The Chair: Thank you so much.

Now for six minutes, we have MP Ashton.

Ms. Niki Ashton (Churchill—Keewatinook Aski, NDP): Thank you very much.

Thank you to all our witnesses for the very compelling testimony here today.

Mr. Wood, I would also like to thank you for sharing such personal stories and how we need to learn from that as a parliamentary committee in terms of our recommendations.

I will direct my questions to Mr. Neepin, who is on the phone from Manitoba.

Mr. Neepin, I would like to thank you for your presentation on behalf of the Keewatin Tribal Council and the 13 first nations that the Keewatin Tribal Council represents. I wanted to pick up first on the points that you made with regard to post-secondary student support. I realize that you referred to it at the end. You talked about how there's a need for more post-secondary funding and how this connects to student outcomes in particular.

We know that the 2% cap that was put in place in the late nineties continues to exist, and this is something that has essentially created a massive backlog of upward of 10,000 first nation students across the country who would like to further their education at the post-secondary level, but simply cannot because of inadequate funding. I'm wondering if you could share with us what it looks like not to have adequate post-secondary funding. What are the kinds of stories you hear from students from the KTC region, or perhaps others as well, who don't have adequate post-secondary funding?

● (0950)

Mr. George Neepin: Back in our communities, at the end of the day, it's the first nations communities themselves that have to find money to fund the inefficiency levels. It seems to us anyway at the tribal council level that... Even this tribal council had two-thirds of its funding cut two years ago. We've had to still provide essential services to our communities. The very same thing goes for the students who are out and away from the communities. The bands themselves have to find resources to provide essential services to our communities.

It's a good thing that young people want to go to school. It would be sad if we didn't have the demand. I think it's a good thing that a lot of young people want to continue school, to leave their communities, those who can, and pursue post-secondary education. I think that's a good thing. As I said, our inability to address those demands, or expectations, has been frustrating. The wait list...and we continue to defer many of those students until later. We have just not been able to meet their demands.

Of course, tuition costs continue to rise, and our funding levels continue to stay the way they have been for years now. It just affects our ability to provide the services that these students expect. They look at other students who are funded from elsewhere, and the two levels of support services are not comparable at all.

Ms. Niki Ashton: Thank you for that.

I'm wondering, Mr. Neepin, if you could also talk about the particular experience of isolated communities when it comes to underfunding, given that most of Keewatin Tribal Council's first nations are isolated. What does the lack of funding for K to 12 as well as post-secondary education mean for those communities in particular?

Mr. George Neepin: I'm trying to think how I can really show the differences in the funding levels at the provincial institutions, what we know as Frontier Collegiate. They are the provincially operated schools here in Manitoba.

Back home, for instance, in our community of Fox Lake up in Gillam, Manitoba, our high school students have to leave that community and go to the neighbouring community in Gillam. It's where Frontier operates that school. Frontier bills us, for example, \$1, but we have funding for only maybe 60¢ to the dollar. We're still expected to pay the dollar, the amount Frontier School is billing us for the students who are attending its schools.

What that means overall to the band and to the communities is that they continue to run deficits, and that's what I mean when I say that essential services that are needed by these students have to be absorbed by someone somewhere, and it's usually the bands. The tribal council can't absorb those costs because we don't have the funding.

If anyone's going to compare any kind of level of service in education, they can simply look at the provincially operated schools and compare the current funding levels that our communities have. You will actually see what the difference is and it's usually 60¢ to the dollar for the level of services that are provided. Fox Lake is not even considered remote and isolated when you compare it to the 10 other communities that Keewatin Tribal Council services.

• (0955)

The Chair: Thank you, Mr. Neepin.

Sorry to cut you off there, sir.

Mr. George Neepin: That's fine.

The Chair: All right. Now we need to quickly go over to MP Tassi for six minutes.

Ms. Filomena Tassi (Hamilton West—Ancaster—Dundas, Lib.): I too wish to begin by thanking each and every one of you for being here today and sharing your stories, your expertise, and the commitment that each of you has demonstrated. I have to say that I'm experiencing many emotions this morning as we hear from you, and I think that's a very good thing, because I think at the end of the day that enables us to come up with recommendations that are going to work and that are effective.

Unfortunately, I only have six minutes; I could spend hours. I would like to address my questions to Ms. Cattari.

The federal government has invested \$112 million over two years to implement a poverty reduction strategy, and I know that Hamilton is on the leading edge in the area of minimizing homelessness. Can you share with this committee what you believe are the keys to your success, keeping in mind that in this portion of the study, we're focusing on training, education, and jobs?

Ms. Laura Cattari: Thank you for that. Honestly, one of our biggest programs is an adaptation of Housing First. We have found that once people are stabilized, there is a rapid reintroduction to employment. Once you lose a job and you become homeless, it's very hard to continue to search for work to get back up on your feet. In Hamilton, that has been really key to helping males.

Conversely, if I may say so, women's homelessness has not been looked at as extensively, and it has a similar impact on employment. People couch surf through the community, and it's harder to gauge the extent of women's homelessness because of that, but if we could have a targeted program taking what we've learned in Hamilton through Housing First and could adapt that to women, that would help as well.

The other complication with that is dealing with domestic violence. Currently we have about 300 applicants per month who aren't able to get into shelters that accommodate women. If we're going to expand or continue what we're doing, I think looking at women is a priority.

Ms. Filomena Tassi: Following up on that because it ties into the next area I want to ask a question about, when you look at women and poverty and their struggles, is there a specific group of women who share certain characteristics who are hardest hit? You mentioned child care and women with children. Is there a specific group, and if there is, what can the federal government do to help address the women who are struggling with those particular obstacles?

Ms. Laura Cattari: The Canada child benefit as implemented has helped enormously. We've seen our numbers rise, especially in single-parent households, so that's fabulous.

We're looking at teenage single parents but also women going through separation and divorce. The problem isn't so much that women aren't working. I know someone who asked for assistance because their daughter was making \$35,000 a year but since she was going through a separation the mother-in-law decided not to give caregiving anymore. Because she couldn't find child care she ended up on social assistance. I found this unbelievable, that someone could lose a managerial position in a store because they couldn't find child care.

The other communities hardest impacted would be visible minorities and of course our aboriginal community. The numbers suffering from poverty are staggering in those communities. Getting placement for women is difficult, especially for newcomers.

• (1000)

Ms. Filomena Tassi: Can you comment on what suggestions you can make in helping seniors and persons with disabilities? We know they are hit hard by poverty.

Ms. Laura Cattari: Just briefly, revising CPP and GIS is important because when women as mothers take time off during their working years, their CPP is always lower. When teenagers are looking for work it's difficult when seniors are taking those part-time jobs that students usually rely on. The other part of that is that I don't think the base amount of CPP disability has changed since its inception. I think we often underestimate the value, both economically and socially, of allowing people with disabilities to work somewhat. When you're in crisis through illness or disability and struggling to maintain rent and food, it's difficult to find employment.

The Chair: We'll move to MP Long for six minutes, please.

Mr. Wayne Long (Saint John—Rothsay, Lib.): Thank you, Mr. Chair.

Again, thanks to our witnesses today. It's very compelling testimony, especially Mr. Wood's and his incredible story. You have my respect.

Mr. Lewis, I read about your story at Walgreens with great interest and then your NOGWOG initiative that you're starting up. Is your son, Austin, still employed? Where is he now?

Mr. Randy Lewis: Surprisingly, one of the companies that did this is a large company called Meijer that works in six states. About two years ago their CEO called me and said they were going to be opening a place on the border of Illinois. He didn't know how close it was to us but he said he would like one of his first employees to be my son. He's been working there for two years.

Mr. Wayne Long: That's awesome.

Mr. Randy Lewis: He's the only one in the house who works.

Mr. Wayne Long: It's good somebody is working.

Last week we had a gentleman who owns some Tim Hortons. His name is Mark Wafer. I think 46 of his 250 employees were people with disabilities. He told the story of how he transformed his business that way.

I wanted to talk to you about your journey and how you did it. Obviously we're here to come up with innovative ideas as to how we can reduce poverty and how we can help our department and our minister come up with a national poverty reduction strategy.

Mr. Lewis, with respect to what you did at Walgreens, what adjustments were needed in the workplace to accommodate people with disabilities? How did you start that? I recognize your son, Austin, was what drove you but how did you change the culture and the structure of Walgreens and were there any support initiatives federally?

Can you elaborate on that? How did you start that process?

Mr. Randy Lewis: When we started, we didn't know anything about this, so we acknowledged that. That was very important. But again, we said we want to be the most efficient, cost-effective, and inclusive, so anything that gets in the way of that, we'll do.

By the way, what did our accommodations cost? I would counsel everybody to never use the word "accommodation", because when we hear the word "accommodation", we employers hear "cost" and "risk". We call them adjustments.

Mr. Wayne Long: That's fair, yes.

Mr. Randy Lewis: Any time you try a new program and you want to change procedures, there's a secret word we use. Call it a pilot, and then you can do anything.

Our average accommodation was \$15 and it was paper and pencil. Mostly it was trying to help the person. We had a technology called ATP—ask the person. Instead of assuming the way the job should be done, we would ask them how they would do it. For example, our requirements say use two hands to do this job, and we would never hire a person with one arm or one hand. We learned to say, "How would you do the job?", instead of assuming they would not be able

to do it because they probably had a lifetime of experience doing that.

We did not have an accommodation fund. We just took issues as they came up. I think the magic happened. Here's one thing about disabilities. It's a prejudice and a bias we have, but it's wrapped in pity and love, and we were able to use that. With a third of your workforce, or 40% of your workforce, you cannot have mascots, so it forced people to make people successful. They didn't want to fire them, so they worked their tails off to make people successful, and in the process the cover was removed from their eyes and they saw a complete person. The stories they talk about at work are not the ones about how productive this place is. It's what I did to make Johnny or Sarah successful.

● (1005)

Mr. Wayne Long: I'll just jump in.

With Walgreens, with respect, it's a big national organization. You're a vice-president, I believe, so you had some top-down pull on that. There are a lot of companies certainly in Saint John—Rothsay, the riding that I'm from, that I think would be very interested in that same kind of model, but they would need potentially some government support.

Can you help us with potential ideas of how our federal government could aid a lot of small businesses to open up their doors to make adjustments for people with disabilities? For example, I have a compelling story about a young man who comes into my office with his parents once a month. He has autism and he's a wonderful young man, and he's just having trouble getting a job. Anyway, I'm trying to open doors for him.

What can we do as a federal government to help companies open up those doors, because I think the stats of unemployment in people with disabilities, when you count the ones who have given up searching, is about 75%. It's a staggering number. How can the federal government help this?

Mr. Randy Lewis: Its the same problem we have in the U.S. Even if someone decides they're open to the possibility, it's very rare in the United States that somebody can say, "I'll understand your jobs. I'll find you the workforce. I'll train them. I'll help them transit at no extra cost to you."

There are agencies that do this, that, and that, but they don't work together.

Mr. Wayne Long: Yes.

Mr. Randy Lewis: That's what we need somebody to do, the federal government to do, to say that if you'll just be open to the possibility, we won't let you fail. But it has to be soup to nuts. Understand the jobs, find the workforce, help screen, and support on the job.

Mr. Wayne Long: A federal program.

The Chair: Thank you very much.

Mr. Wayne Long: Thank you.

The Chair: For six minutes, we have MP Poilievre.

Hon. Pierre Poilievre (Carleton, CPC): Thank you very much, everyone.

Mr. Lewis, thank you for being here. We've spoken over the phone a couple of times, and when I asked to have you as a witness, I assumed we'd have you by teleconference. I'm very pleasantly surprised to see you in person. Welcome to Canada.

Mr. Randy Lewis: I was told Ottawa is really beautiful at this time of year.

Hon. Pierre Poilievre: It is actually very beautiful, and so are the roads.

I think we're all amazingly inspired by the success that you've had with Walgreens in employing over 1,000 people. I read your book, and my favourite story was of the elderly parent who came to you. He shook your hand and said, "I want to thank you because I can die now. I know my son is going to be okay." That's the kind of independence that you've offered thousands of people who would otherwise be cast aside.

What I'm looking for from you today is something like an Ikea instruction manual on how we can replicate what you did with Walgreens right across Canada's job market. You said that the best way to carry this out is to have a group that goes into a workplace, understands what work needs to be done, brings in disabled employees who they believe are capable of doing it, and bridges one to the other.

Could you elaborate on the government policies that enable that to happen?

•(1010)

Mr. Randy Lewis: There's some money involved in this. The problem, at least in our experience in the United States, is the way the agencies are organized.

First of all, the disability community competes. We've broken it up. You have people who work with autism, people who work with deaf people, and so on. They all view themselves as competitors because they believe it's a world of scarcity.

We were fortunate to start off with. We came across an agency and we said, "We're going to hire 200 people." They had never placed more than 13 in a year. That was kind of a surprise to us. We said, "You have to form a coalition with all the other groups out there, because we're not going to deal with 14 different groups. You have to be the one to do all these things because we don't understand all this stuff."

If you look out there and you throw this pile of money into the community, how is it going to be used? Can somebody do it like that?

We were fortunate in South Carolina. We were fortunate in Connecticut, but in a lot of other states we were not. Surprisingly, once you get an employer to even consider this...and to get them to consider it you need to say that it's not going to cost them more money and that they're not going to have to become disability experts. Why would they change if it were going to cost them?

Take that mindset, and ask how you are organized to be able to address an employer that way. I don't think it's happening anywhere. It's a problem we have in the U.S., and I suspect you have it in Canada too.

Hon. Pierre Poilievre: What I hear from some employment agencies that do similar work is that they find government funding rules very prescriptive.

"This is how you're going to do your job. This is what we're going to reimburse you for. You get this much for a photocopier, this much for rent, this much for staff." Would it be better to move towards a model where we pay these organizations based on the results they achieve rather than on the input costs they incur?

Mr. Randy Lewis: We have a lot of that in the United States. Based on results and not just.... We use 90 days. Agencies don't get paid unless the person has been on the job for 90 days.

Where we fall short is that when that 90 days comes up that person loses all the occasional supports. We found out that there are some people who are initially successful but then an incident happens and we need some support. We need to be able to have the continuing, episodic support too.

Pay them for results, certainly not for processes. I agree with you totally.

Hon. Pierre Poilievre: Could we then just say that we want longer-term results, that we are going to pay based on the continuous employment of the client for two years, not for 90 days?

Mr. Randy Lewis: That would be ideal, but they have to be able to do all the things to find, help train, and help show the employers the model.

Hon. Pierre Poilievre: Do you have the same problem in the States that we have in Canada, with disabled people entering the workforce, beginning to pay taxes, and losing their benefits at such a sharp rate that they're often worse off than they would have been if they had not worked at all?

Mr. Randy Lewis: Most certainly. The social safety net is so hard to get into that they're afraid of losing it. In our case, we were paying \$17 per hour. When you pay a living wage, that helps people to get off of it, but working part time, entire families were facing.... It's an issue. We just dealt with it.

Hon. Pierre Poilievre: Mr. Wafer from Tim Hortons has said his decision to hire over 150 disabled people was not an act of charity, that it was a 100% business decision driven by profit motive.

Would you say this is a business decision? Can you make a more efficient and more profitable enterprise by including people who in the past have been excluded from the workplace?

Mr. Randy Lewis: Of course. We wouldn't have done it otherwise. All these big companies that have done this haven't been doing it out of charity. They come and see for themselves that it's not only just as good, it makes it better because of this cultural impact.

•(1015)

The Chair: Thank you very much.

Before we move on, I have an update for committee members. We're in the process of debates for our vote this morning. The bells will begin at 10:39 a.m., from what I've been told, which means we'll probably get this round in but that's it before we have to suspend for some committee business.

We will be rushing you out the door, I'm afraid, in order to get our business done before we have to leave for bells.

Without further ado, we'll have MP Sangha.

Mr. Ramesh Sangha (Brampton Centre, Lib.): Thank you, Mr. Chair.

My question is to Laura Cattari. We have to deal with it at all levels to tackle poverty. The definition is very...that we have to deal with poverty as a large team. In your opinion, what should we focus on to improve this strategy?

Ms. Laura Cattari: I also sit on the income security reform working group for the province. Some of the materials I've come across suggest that very low assistance pre-employment and punitive ideas, such as you must force a job search, aren't working, and they haven't worked for 20 years. What we are finding more and more is that people who are longer term on assistance have multiple barriers that no one's addressing.

When you start dealing with learning disabilities, and when you start dealing with chronic mental health issues that may not be acute, but do impact people's lives and they can't afford the medication for it, or they can't... There are so many pre-employment barriers that people seem to slip through the net, so to speak.

There are some programs available for newcomers, mainly English as a second language, but beyond that the social inclusion aspect that gets people involved in communities and feeling settled is also important, so that they start to network just like all of us do when we go out to look for employment.

Mr. Ramesh Sangha: You talked about regulating payday agencies and giving more licences to the child care centres and private insurance for low-income people. In all these strategies, do you feel you have suggestions to give to us, so that the committee can take care of and improve on these things?

Ms. Laura Cattari: Definitely. We need regulations stopping payday lenders from the very high rates and the—I'm going to use this term loosely, and it's totally a personal term—entrapment involved.

They target communities that can't afford these loans.

Mr. Ramesh Sangha: Yes.

Ms. Laura Cattari: It gets to the point that, even if someone's working at an adequate job, so much of their income is going towards maintaining it, that it's creating this cyclical poverty in communities. That's what we're referring to when we suggest lowering the amount of interest and how they rework things. Even with multiple loans, there's no legislation stopping payday lenders or different organizations from giving out more than one loan to an individual at the same time.

With child care, support for more community-based, not private, child care centres is really important. It's not as profitable in low-income areas to put in a child care centre, so definitely supports are necessary.

I'm sorry, I'm trying to remember, the third one was....

Mr. Ramesh Sangha: It was insurance for low-wage earners.

Ms. Laura Cattari: Definitely, especially for pharmacare what we have found, in a specific single scenario, a single mother gets sick and can't afford antibiotics. She avoids actually taking time off because she doesn't have sick days. Even the inclusion of sick days would help. She gets so ill that she ends up in the ER with triple pneumonia, has two weeks off, and gets fired. It's crazy-making. It goes in circles over and over again. Yes, affordable pharmacare is really important.

•(1020)

Mr. Ramesh Sangha: Laura, you talked about bringing awareness to communities, and awareness is also mentioned on your website. You had talked about domestic violence in communities and low-income, part-time contracts, small job contracts. These are all having more impacts on poverty.

Ms. Laura Cattari: Yes.

Mr. Ramesh Sangha: What would you suggest to the committee? What types of steps would you suggest to the committee to bring more awareness to communities?

Ms. Laura Cattari: Sorry, more awareness around...?

Mr. Ramesh Sangha: Regarding poverty reduction strategies.

Ms. Laura Cattari: Okay, for us, we do a lot of speaking in the first person. Today we saw Mr. Wood speaking about his story and the impact certain things had on his life. We use the same. We use first-person stories. It's a low-income worker who goes out into the community to talk about what they've experienced. People learn far more from hearing the details of what went wrong than they do from just numbers and figures when we present to them.

The Chair: Thank you very much.

For five minutes, we'll go to MP Warawa.

Mr. Mark Warawa (Langley—Aldergrove, CPC): I also want to thank the witnesses for being here.

I want to ask a question about how hopelessness plays into poverty.

I listened intently to your personal story, Mr. Wood. Your father, you said, lost his foot in an industrial accident, then was not able to work and had a very minimal amount of disability pension through workers' compensation. That affected a family setting—disastrously, apparently. If somebody is not able to work and they don't see any hope in the future, it affects their vision of hope.

Mr. Lewis, you also shared that there were people who had tried for a long time to get a job, had gone through training and were skilled, but couldn't get a job, and how hopelessness played into that. How important is it that we have people who encourage, professional counsellors, to help guide somebody who has reached the end? They feel stuck, that there is no hope. Mr. Wood touched on that. Then there's goal-setting. These are people who engaged with you within your life, encouraged you to set goals, and that there was hope, there was opportunity, if...

Maybe, Mr. Wood, Mr. Lewis, you could comment on that, starting with Mr. Lewis.

Mr. Randy Lewis: I think you hit right on the issue. If I could have my way about it...what I've observed over time is that the future is here, it's just unevenly distributed. I see different programs in different places. If I could put them all together, they would be along as follows. What we need to do in an early childhood program in the school system is set the expectation that there's going to be employment. Too many kids with disabilities get shuttled, put aside. Say that the expectation of our school system for success is for you to be fully integrated citizen, let's say at age 25, and everything we're going to do aims toward that.

You have IEPs in Canada. In Michigan there's a program called the START project. It engages parents, and they have their part of the IEP. They have tests that they have to do that would get the executive skills, the decision-making skills, the self-advocacy skills.... The parents start to do that and engage in the home.

You have a program here in Ontario, in Sarnia, starting at age 16. The community has internships, and they use returning college students as job coaches, and they get the experience, every summer, for eight weeks, age 16 to age 25. Then through that experience, 85% of the people who go through that in Sarnia are employed.

We could have those intern programs and then create the employment programs for the pool, like we've done. I think it's soup to nuts, but it starts at the earliest age, where the expectation is that you're going to be fully integrated in society. Once we have that mindset, all the ideas come together.

You have an army here of all these witnesses. It's surprising; once you announce something big, the world will move to it.

• (1025)

Mr. Mark Warawa: Mr. Wood.

Mr. Kory Wood: I'll touch on something that I didn't talk about before. My dad, when he couldn't afford to provide for himself and the family, turned to dealing drugs. He was in and out of jail for that.

Now, there were a lot of social effects for me as a child growing up, because when you live in a small town, everyone knows that your dad is a drug dealer, right?

When he had his workplace injury back in the 1970s, I don't know how much mental health was on the forefront for a young man at the time. I think mental health is a very important part of the rehabilitation process. My better half is an occupational therapist, and we have a lot of discussions about this. I think mental health is a very important part of the process for people who are rehabilitating themselves to get back into the workplace.

There's a lot of talk about raising minimum wages and whatnot. As an employer, that concerns me, because sometimes our margins are so thin that we can't afford to bring people on. Mr. Lewis talked about how it needs to be profitable for us, and it needs to make sense for our business so we can feel good about developing people's skill sets. I don't know if putting a band-aid on the problem is the best way to go. I think that's the core root of the issue. Not everyone wants to go to work, so the wage is irrelevant.

The Chair: Thank you very much.

We'll go over to MP Ashton for three minutes, please.

Ms. Niki Ashton: Mr. Neepin, I want to come back to you and talk to you about one of the points you made earlier. You've clearly made the case for the need for increased funding for K-to-12 education and for post-secondary education. You also highlighted how the cut to funding for the Keewatin Tribal Council—and, of course, for tribal councils across the country—has severely limited your ability to support first nations in ensuring adequate education for their youth, and of course, for adults who are interested.

Do you see the need to increase funding for tribal councils? Perhaps you could speak to that for the remaining time.

Mr. George Neepin: The level of funding that was cut from the Keewatin Tribal Council was about two-thirds of its funding. We were the second most-hit council in terms of the funding cut. The Prince Albert tribal council was number one; we were second. It appears that the ones who were hit the most were the ones serving the more isolated communities.

We've been unable to provide support to our member communities in terms of their ability to maintain their financials and record-keeping. There's a definite need in that area. Of course, for governance, we've been unable to provide the support they require in that area.

Our tribal council, as I've said, serves eight of the remote communities. Our priorities include providing all-weather roads to our communities, which would greatly reduce the cost of living in our communities. Many of our community members come to Thompson for their basic services such as justice and medical services. A lot of our community members have to leave our communities to come to Thompson because our communities cannot maintain the service levels that many of our people require.

Our tribal council does provide an essential service. We consider ourselves an extension of the bands in terms of administration and management. If that support is not there, many of the bands will continue to struggle.

•(1030)

The Chair: Thank you very much, sir.

I'm afraid that is the last word for today. I'd like to take this opportunity to thank all of the witnesses who came to us today via video conference and by phone as well.

We need to move into committee business fairly expeditiously. I apologize if you feel that you're being rushed out the door, but you're being rushed out the door. Thanks very much to all of you for being here today.

[Proceedings continue in camera]

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