



HOUSE OF COMMONS
CHAMBRE DES COMMUNES
CANADA

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

HUMA • NUMBER 005 • 1st SESSION • 42nd PARLIAMENT

EVIDENCE

Monday, April 11, 2016

—
Chair

Mr. Bryan May

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

Monday, April 11, 2016

• (1540)

[English]

The Chair (Mr. Bryan May (Cambridge, Lib.)): Good afternoon, and thank you everyone for being here today.

I would like to take the opportunity to welcome our guests to the human resources committee today, as well as the people in the gallery joining us and those watching on television.

Welcome, Hon. Jean-Yves Duclos, Minister of Families, Children and Social Development. Also joining us today is the Hon. MaryAnn Mihychuk, Minister of Employment, Workforce Development and Labour. Today we are also joined by the Hon. Carla Qualtrough, Minister of Sport and Persons with Disabilities.

We are also welcoming some senior public servants today. Welcome to Ian Shugart, Deputy Minister of Employment and Social Development, who is joined by Lori Sterling, Deputy Minister of Labour, as well as Louise Levonian, Senior Associate Deputy Minister and chief operating officer for Service Canada. Finally, from the Canada Mortgage and Housing Corporation, we have Evan Siddall, president and CEO.

Thank you all for being here today. It is our pleasure to welcome you. I hope today's committee meeting provides everyone with an opportunity to ask in-depth questions of these ministers and to get a sense of their priorities, the scope of their work, and their personal insight into where they will be taking their ministries over the next few years.

Today, this committee has a unique and rare opportunity to speak with three ministers in the same meeting. I would personally like to thank them for finding the time and coordinating their schedules to ensure that we could see them all at the same time. It is a pleasure to be able to access your thoughts directly, and it is going to be important for our work to get as much insight from you as possible.

This committee has a mandate to interact with all three ministries to accomplish its goals, which is why I hope that all three of you will feel free to interact a bit when answering questions. If you see that one topic area touches something you are working on within your ministry, please feel free to chime in and provide details on where your ministries overlap in either programs or responsibilities. At the same time, we have a lot of content to get through today, so I would appreciate it if we could keep the questions and answers as short as possible so that we can give everyone as much time as possible.

I should also mention that if something comes up and you don't have the full time to address a specific point or concern, please feel free to write to the committee afterwards to clarify any points or provide follow-up information. The clerk will ensure that your comments are distributed to the entire committee.

Welcome, everyone. Let's begin. We will have an opening statement from each of the ministries, and then proceed to the questions.

Let's begin the opening statements with Minister Qualtrough.

Minister, please begin.

Hon. Carla Qualtrough (Minister of Sport and Persons with Disabilities): Mr. Chair and members of the committee, it is my pleasure today to be here with Minister Duclos and Minister Mihychuk, and to address my mandate as Minister of Sport and Persons with Disabilities. As this is my first opportunity to speak to this committee, allow me to say how much I appreciate the scope and impact of your work and efforts to improve transparency.

I want to thank you for the invitation to discuss my mandate letter, which is somewhat unique amongst my counterparts.

[Translation]

It is an honour for me to occupy the double function of Minister of Sport and Persons with Disabilities and to be a part of this dynamic team of ministers.

In theory, my mandate consists in promoting the health of Canadians through sports and leisure, ensuring better accessibility to Canadians with disabilities, and increasing opportunities for them.

In practice, this means giving effect to an ambitious and optimistic vision, the vision of a country where every Canadian can succeed. However in order to succeed, we all need the necessary support.

[English]

For Canadians with disabilities, often removing barriers has proven to be most beneficial, whether that's an inaccessible office building or a narrow-minded attitude. I have lived with a visual impairment my entire life, and I have always worked hard to achieve my goals. I understand what a difference it makes in a person's life when they recognize on a deep personal level that they have the tools they need to succeed. I want every Canadian to experience that sense of triumph, no matter what their goals may be.

After my athletic career ended, I practised human rights law at both the provincial and federal levels, including as chair of the Minister's Council on Employment and Accessibility in British Columbia. These experiences only fuelled my passion for advocacy in the areas of equality and inclusion. I'm eager to put my personal and professional experience at the service of Canadians.

My main priority is to lead an engagement process on federal accessibility legislation. The first step is to inform the development of legislation that will support all Canadians. Its goal will be to eliminate systemic barriers and deliver equal opportunities for Canadians living with disabilities. To help reach this goal, budget 2016 included \$2 million over two years to support the full participation of Canadians with disabilities in the process. This is an enormous undertaking, and it would be the first of its kind in the country.

There is a significant legislative gap in Canada around accessibility and inclusion. While we have very strong anti-discrimination laws, you have to wait until someone is discriminated against in order to help them. What we need to do is create a legislative tool that helps us avoid discrimination and exclusion from the beginning.

This kind of legislation is very exciting. It will be transformational if we do it right. I've already begun reaching out to my provincial and territorial colleagues and stakeholder groups to begin the discussion around the foundation of this act. I intend to ensure that our process is fair, inclusive, and thoughtful.

● (1545)

[Translation]

We have to initiate a real dialogue that will bring about concrete results. In cooperation with my colleague the Minister of Families, Children and Social Development, I will be consulting the provinces, territories, municipalities, stakeholders in the field, and Canadians of all abilities.

Canada is entering in a new era of access to leadership and cooperation. For instance, on March 11 we marked the anniversary of Canada's ratification of the United Nations Convention on the Rights of Persons with Disabilities, which was adopted 10 years ago.

The defence of the rights of persons with disabilities has been growing continuously, and I am proud to be able to contribute to it in discharging my mandate. With this bill, we have the opportunity of writing a page of our history.

[English]

I will also continue to support and promote the initiatives that the Government of Canada already has in place to help people with disabilities participate fully in their communities and workplaces. One very good example of this is an additional \$4 million over two years for the enabling accessibility fund community accessibility stream that was proposed in budget 2016. This increase will help fund construction and renovations to improve accessibility and safety for people with disabilities in Canadian communities.

When the Prime Minister offered me my current role as Canada's Minister of Sport and Persons with Disabilities, he challenged me to take two of my life's true passions and go and change the world. This

challenge has continued to resonate with me every day for the past six months. Accepting this role was both humbling and exciting. There is simply nothing like having this kind of chance to contribute to Canada and to Canadians. I'm extremely fortunate to be doing something that is so deeply personal, to work on policy that is both fulfilling and has such a broad impact on Canadians. I also find it extremely exciting that so much of my personal history and experiences can be of use.

Our government is working to improve the lives of Canadians with disabilities. I am committed to highlighting the importance of considering this segment of our population in every decision we make around the cabinet table. I am proud of the work we do to support Canadians with disabilities. A more active and inclusive Canada provides significant benefits to the economy. While much progress has been made, we can and should do so much more.

On behalf of the team here today and those back at the department, thank you very much for the invitation to be with you today. Along with my colleagues, I'm happy to answer any questions you might have.

The Chair: Thank you, Minister Qualtrough.

Minister Mihychuk, please.

Hon. MaryAnn Mihychuk (Minister of Employment, Workforce Development and Labour): Thank you, Mr. Chair.

It's a pleasure to be here once again to discuss my goals as set out in the mandate letter given to me by the Prime Minister and to discuss the main estimates. As members of the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities, you provide an extremely important venue to complete our work and to provide value to the parliamentary process.

Before I begin, I'd like to acknowledge that we're here on the traditional territory of the Algonquin people.

First, I'd like to tell you about my areas of responsibility. As you know, I'm the Minister of Employment, Workforce Development and Labour. Under my purview, the Department of Employment and Social Development manages a large number of important programs for all Canadians across the country. These include support for federally regulated workers, support during these challenging times for people who have unfortunately lost their jobs, and support for education and training to get Canadians back to work.

I will begin by discussing our plans and objectives for the employment insurance program, given that the global drop in commodity prices has resulted in job losses in our country, especially in Alberta, Saskatchewan, and Newfoundland and Labrador, thereby increasing the number of workers who are seeking employment insurance.

The government believes it's absolutely critical that we have an EI system that can adapt to our changing labour market across the nation to make sure that Canadians get the help they need when they need it. To that end, our recent budget unveiled a series of new national measures. Let me repeat that: national measures, all across the country, for all people from coast to coast to coast.

Currently, many new workers find it difficult to access EI support when they lose their jobs because of higher EI requirements that restrict access for new entrants and re-entrants—who are known as “NERE”—to the labour market. Budget 2016 proposes to eliminate these provisions, these NERE restrictions, which impact so many young and new Canadians, so that they will meet the same requirements as other claimants in their regions. This improvement will mean that roughly 50,000 additional claimants will become eligible for EI benefits.

Effective January 1, 2017, we are also going to reduce the EI waiting period—or the deductible—from two weeks to one week, at the time when those who are unemployed often need it most. This will ease some of the pressures on individuals at the front end of their claim when they become unemployed or leave work temporarily due to health or family pressures.

We are extending and expanding the “working while on claim” project. This helps individuals by allowing them to earn some extra income without losing their benefits so that they always benefit from accepting work.

I am pleased to say that on a national basis we are extending the duration of EI work-sharing agreements from a maximum of 38 weeks to 76 weeks.

We will also be investing \$92 million to hire more EI call centre agents to shorten wait times, shorten claim processing, and expand better service to every Canadian.

Finally, we are going to reverse some of the negative changes made in 2012 by the previous Conservative government. These measures pressured unemployed workers to accept work at lower rates of pay while having to commute for longer times, away from their communities and families.

Mr. Chair, let me turn for a few moments to the many unemployed Canadians who need help right now, particularly those who live in parts of the country hardest hit by the plunge in commodity prices.

• (1550)

As you know, we have economic regions that have begun experiencing a sudden, sharp, and sustained increase in unemployment. To cushion the shock, we're introducing some targeted changes such as extending EI regular benefits by five weeks, up to a maximum of 50 weeks. We are also proposing an additional 20 weeks of EI regular benefits for long-tenured workers in these regions to a maximum of 70 weeks.

While providing this temporary help, we are also helping to build a workforce that can shift towards a high-skilled jobs environment and create the workforce we need. We will enhance training employment supports by investing a total of \$175 million in 2016-17 in the labour market development agreements with the provinces and territories. We will also create a framework to strengthen the role of

union-based apprenticeship training with an investment of \$85.4 million over five years.

These investments will ensure that Canadians get the skills to pursue opportunities for a better future.

Canada's youth minister, our Prime Minister, has given me the opportunity in my mandate to improve the future of Canada's young people, through education and job creation. I'm happy to say that our government is already creating more jobs for students. We recently increased the annual budget for the Canada summer jobs program by \$113 million a year for each of the next three years, for a total of \$339 million, which will double the number of jobs created to nearly 70,000. We are investing another \$165 million this year for the youth employment strategy.

As our population ages, our country's prosperity will depend on young Canadians getting the education they need to prepare for jobs of today and tomorrow. To incentivize students to work while they study, we'll introduce a flat-rate student contribution to determine eligibility for loans that will allow students to work without worrying about jeopardizing their grant or loan. The rising costs have made getting a post-secondary education more of a burden to families.

To help change that, we will expand Canada summer grants. Low-income students, middle-income students, and part-time students will see grants increase by 50%. This measure will provide assistance of \$1.5 billion over the next five years. After consultations with provinces and territories, we plan to expand eligibility for Canada student grants, so that even more students can receive non-repayable assistance.

We also want to ensure that students leaving post-secondary education will have a bit more flexibility on when they have to pay back those worrisome loans. To this end, we will be easing the rules on Canada student loan repayment by ensuring that no borrower will be required to make any repayment until they are earning at least \$25,000 per year.

In my province, and in my hometown of Winnipeg, an effort to support skills and employment training for indigenous peoples is key. The budget proposes a new investment to train Métis, first nation, and Inuit peoples for jobs supporting their communities, including housing construction, water treatment, and local administration. Over the next year, the government will consult with stakeholders, including indigenous organizations and employers, to work towards renewing and expanding the aboriginal skills employment training strategy.

Finally, I'd like to turn to my responsibilities and mandate as Canada's labour minister. Our recently tabled Bill C-4 proposes to repeal two mean-spirited, unfair bills passed by the former Conservative government. Bill C-377 and Bill C-525 forced labour organizations to provide very detailed, wasteful, and unnecessary financial information to the Canada Revenue Agency and made it harder for unions to be certified as collective bargaining agents in the federal jurisdiction.

• (1555)

When it comes to a modern workplace, more and more Canadians are struggling to balance work and their personal and family responsibilities outside of work. This is why we committed to amending the Canada Labour Code to allow federally regulated workers to formally request flexible work arrangements, or flex leave.

Budget 2016 reiterates our commitment to explore ways to ensure that hard-working middle class Canadians are better able to manage their work and personal lives.

With that, Mr. Chair, I conclude my preliminary remarks.

The Chair: Thank you, Minister.

Minister Duclos.

[*Translation*]

Hon. Jean-Yves Duclos (Minister of Families, Children and Social Development): Thank you, Mr. Chair and esteemed members of the committee.

I first want to thank the members of the committee for inviting me and my two colleagues to discuss my mandate as Minister of Families, Children and Social Development, and the main estimates for our department.

I commend all the members of the committee for their work and their cooperation.

• (1600)

[*English*]

I am very grateful to our officials for their hard work and inspiration in their everyday commitment to making our society better.

[*Translation*]

At Employment and Social Development Canada, improving economic and social security for all Canadians is our top priority. In our efforts to achieve this, I have the good fortune to work alongside the Honourable MaryAnn Mihychuk, Minister of Employment,

Workforce Development and Labour, and the Honourable Carla Qualtrough, Minister of Sport and Persons with Disabilities.

Our department is central to delivering services to Canadians. In fact, along with the Canada Revenue Agency, we are responsible for 95% of government services provided to citizens. A whole host of programs, services and initiatives fall under the authority of Employment and Social Development Canada.

We assist Canadians in literally every stage of their lives, from birth to death. This is a huge responsibility. With the 2016 budget, our government has already begun implementing measures that will improve economic and social security for Canadian families.

I want to tell you about three major initiatives.

First, I want to talk about the Canada Child Benefit.

Children are the essence of our society. Parents need to be able to raise them in the best possible conditions, for the current well-being of their family, but also for the future of our society.

Since taking office in November 2015, our Prime Minister has made it very clear that we need to work to help families. That is why we created the Canada Child Benefit, which was officially introduced in the 2016 budget.

The Canada Child Benefit represents the greatest innovation in social policy that this generation has seen. First, the benefit will be simpler. Families will receive one single payment every month. Second, it will be more transparent, because it will be tax-free. Families will not have to pay back a portion of their benefits in their tax return. Thirdly, it will be more specific, since it will benefit 9 families out of 10, the families that need it most, whereas higher-income families will receive reduced benefits. Fourthly, it will be much more generous, since eligible families' child benefits will increase by nearly \$2,300 on average, tax-free, for the 2016-2017 benefit year.

For example, the benefits of a typical family of four with an annual income of \$90,000 will increase from \$3,145 to a \$5,650 tax-free payment from the Canada Child Benefit. That is a \$2,500 increase.

More important still, with this new benefit, about 300,000 children will be taken out of poverty in the space of a few months. With the implementation of this measure, the level of child poverty in Canada will be at its lowest in the history of our country.

My mandate also covers seniors' programs, such as the Old Age Security Program, and the Guaranteed Income Supplement, which brings me to my second point.

Canadians work hard all their lives, and we must enable them to enjoy a comfortable retirement in dignity. This requires new investments, and good ones, targeting seniors.

We plan to increase additional benefits for the Guaranteed Income Supplement for seniors living alone by nearly \$1,000 every year. This measure represents a 10% increase in benefits for the most vulnerable seniors, and will help about 900,000 seniors living alone, Canada-wide.

We also propose to cancel the measure raising the eligibility age for Old Age Security and Guaranteed Income Supplement benefits so that it remains at 65, which will mean that 100,000 seniors a year will avoid living in poverty.

Another measure will provide higher benefits for senior couples who have higher living costs and an increased risk of poverty because their health forces them to live separately.

Finally, we are working on ways to establish a new price index for seniors so that Old Age Security and Guaranteed Income Supplement benefits reflect the rising costs they face.

Thirdly, I would like to talk about social infrastructure.

Experts worldwide agree that wise, targeted investments in infrastructure are essential to stimulate economic growth and strengthen the middle class.

The 2016 budget has allocated \$3.4 billion in investments over two years. These investments will provide all Canadians with economic opportunities and allow them to participate fully in their communities, while fostering economic growth of communities across the country.

Investments in affordable housing, early childhood education and child care, as well as cultural and recreational infrastructure, will improve Canadians' quality of life and strengthen communities, including northern and aboriginal communities, making them better places to live.

The government is currently taking measures that will require immediate investment in social infrastructure over the next two years: firstly, to improve access to affordable housing for over 100,000 individuals and families with low incomes, including seniors; secondly, renovate and modernize existing social and affordable housing, including making homes more energy and water-efficient; thirdly, renovate and build housing in first nations and northern communities; fourthly, renovate and build shelters for women and children who are victims of violence, including aboriginal women and children; fifth, improve services that combat homelessness; sixth, renovate and modernize child care and health care facilities on reserve; and finally, in seventh place, fund over 100 community, cultural and recreational infrastructure projects throughout the country.

It is also my duty to help develop a strategy to re-establish the federal government's role in supporting affordable housing for our citizens throughout the country.

We will undertake nationwide consultations in the coming year to develop a national housing strategy. We will thus ensure that the future investments of our federal governments will have the greatest possible impact.

Moreover, homelessness is a reality for far too many Canadians and a major issue for far too many communities. That is why we plan to invest an additional \$112 million over two years in the Homelessness Partnering Strategy. This is the first increase in the budget of that strategy since its creation in 1999.

•(1605)

[English]

Additionally, we are providing support for the establishment of a national framework on early learning and child care through a proposed initial investment of \$500 million, recognizing the deep connection between child care and the economic security of all Canadian families. This includes an investment of \$100 million in indigenous child care and early learning on reserves, and in the north.

Most importantly, because child care needs vary from family to family and because provinces and territories have responded clearly that those needs vary in different ways across our communities, engagement with all partners will play a very important role in shaping the development of the early learning and child care framework.

Lifting Canadians out of poverty is a very important aspect of my mandate because Canadian families need support. Reducing poverty and improving the economic well-being of all Canadians has already started in budget 2016.

I will have the opportunity to lead the development of the first Canadian poverty reduction strategy that will set targets to reduce poverty with clear measures that I will commit to track and report on. I will be most happy to share that progress with members of this committee as we move forward.

To deliver real and positive change, which we promised Canadians, we need to work in close collaboration with stakeholders. This is an extremely important part of our collective mandate. We need to work in close partnerships with provincial, territorial, and municipal governments to ensure that our poverty reduction strategy complements their existing efforts.

Our government has already started renewing our so important relationship with indigenous people. It is critical that their needs and challenges are also addressed in that strategy. These collaborations may take a little time to develop, but we know that it will take us further and, most importantly, in the right direction.

These collaborations are indeed crucial to finding solutions in addressing key social issues that matter to all Canadians.

To better ensure that Canadians get all the help they need and deserve, and when they need it, the Government of Canada is taking action to make the delivery of government services more responsive.

To ensure that Canadians get timely access to the benefits to which they are entitled, budget 2016 proposes to provide \$19 million in the next year to enable Service Canada, a critical agency, to meet the increased demands for services in general, and specifically for EI, and to offer better support to Canadians as they search for new employment.

Budget 2016 proposes to further improve access to call centres by increasing the number of call centre agents, which will reduce waiting times and ensure that Canadians can access the information and support they need, when they need it.

•(1610)

[*Translation*]

I will do everything in my power to increase economic and social security for all Canadians.

Since taking office, Minister Mihychuk, Minister Qualtrough and I have already engaged in discussions with stakeholder groups, with our provincial, territorial and municipal counterparts, and with many Canadians.

I had the opportunity to meet with the provincial and territorial ministers responsible for social services, in Edmonton, in early February. It was the first time in 10 years that the forum of ministers responsible for social services met. We have resumed our constructive collaboration and dialogue.

More recently, I also met with various stakeholders throughout the country to find out about their priorities and listen to them. Together we will find the best possible approach to address the social issues that matter to Canadians. And I have every intention of helping our government raise the bar on openness and transparency.

In closing, may I add that I will work alongside my colleagues and with all of you to reflect the values all Canadians embrace: inclusion, honesty, hard work, and generosity of spirit. Together, we will chart a new course for Canada.

Thank you.

[*English*]

The Chair: Thank you, Minister.

I remember telling my family that I was going to be chairing the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities. They thought that I would be on three committees. Hearing the breadth of the issues and things we're going to be dealing with today, I'm sure that the questions will be all over the map, and so they may not be wrong. This may need to be three committees.

Without further ado, we're going to move on to questions.

Mr. Deltell.

•(1615)

[*Translation*]

Mr. Gérard Deltell (Louis-Saint-Laurent, CPC): Thank you, Mr. Chair.

I want to welcome Ms. Sterling, Ms. Mihychuk and especially Mr. Duclos, whose riding is next to mine. Mr. Duclos is the member for the riding of Quebec. This is the first time we have the pleasure of meeting, and even if we have some real disagreements as to our vision, I wanted to commend him.

[*English*]

I want to pay my respects to Mr. Duclos because this guy is a good fellow. He has a great resumé, great experience, and is a good

scholar, and so I want to pay all my respects to him. When someone of his stature wants to run for election, it's the entire political class who wins. I want to welcome you to the House of Commons even if we entered the House at exactly the same time.

The first time we met was on Canada Day, which was a good sign, but it was the rainiest day that summer in Quebec. So we were far away from the so-called sunny ways and sunny days. Speaking of that, I want to talk about the following issue especially.

[*Translation*]

Our opinions differ on the sound management of public funds. We agree with the minister that funds must be given to families. We did this with the Universal Child Care Benefit, the UCCB. Our figures were different, as well as our approach, but we also wanted to provide direct financial aid to families. We feel it is the appropriate way to proceed, and that parents know what is good for their children. We share the same vision.

However, we have a major difference of opinion on how to manage public funds. We did so without creating a deficit, whereas the current government is creating a \$30-billion one.

My question is simple: how can the minister agree to give families money he does not have? How can the government spend billions of dollars while creating a deficit, a debt? Our children are the ones who are going to have to repay this money.

Hon. Jean-Yves Duclos: Thank you, Mr. Deltell. I return the compliment. You may not know this, but your political commitment, your presence and your influence have had their impact on the Quebec area over the past years. I think you must know, and if not you may be happy to hear, that a lot of people respect that commitment, as they do your openness and welcoming attitude, as well as your closeness to citizens. These are all qualities I have had the opportunity to observe over the years. As a young politician—and I am not talking about my age—I am looking to these qualities for inspiration, in order to learn more quickly.

As for the central issue, we all know that unfortunately economic growth has been weak over the past 10 years. Moreover, 2015 was a particularly difficult year for Canada; we were in a recession for 6 months out of 12. For two years now, economic projections for Canada have been on a downward trend. Canadians are feeling insecure and are looking to the Canadian government to show leadership. This is true throughout the country, and not only in those areas where economic and social security is a particular challenge, that is to say the regions affected by the drop in the price of raw materials, of course.

For young people, and the not-so-young as well, looking for a job and economic and social security are crucial. That is even more important when the time comes to start a family. It is important that we support our children, especially when they are young. Investing in early childhood is consequently very important. If I may make an aside, I would point out that that investment happens at a time when families often face the most difficult time constraints. They are at the beginning of their careers, they need to invest in them to secure their future, they are grappling with difficult material circumstances, they have few savings, and in many cases, they have a mortgage. These young families face difficult constraints that impact their well-being in the short term. These constraints reduce their capacity to invest in the well-being of their children and ensure a promising future for them.

On many levels, Canadians want a recommitment from the Canadian government. They want us to support economic growth, and the middle class particularly. It is in that spirit that the government brought in the measures in budget 2016. We are going to invest these substantial resources in a responsible way. With your cooperation, it will be easier to manage. We have to see to it that these investments aimed at supporting everyone's economic well-being are both responsible and inclusive.

• (1620)

Mr. Gérard Deltell: Mr. Chair, I agree with everything the minister said, but he did not answer my question.

Everything you are doing is generating a deficit; you are doing it with money we do not have. This is an invoice we will be sending our children and our unborn grandchildren, who will have to pay for the expenditures made today with money we do not have. How can you put such measures in place?

It is all well and good to give money to young people, and we are not against it, but we have to have that money. We prepared a budget when we introduced the Universal Child Care Benefit. You, however, are putting in place a program that generates deficits, and you are giving out funds we do not have. Why?

Hon. Jean-Yves Duclos: I am going to say two things in reply to this question.

First, I would say that this is what Canadians are expecting of us. They want us to grow the economy and support the middle class when it faces difficulties.

Secondly, I would point out that we could have acted otherwise by reducing the government's expenditures by about \$18 billion to take into account the serious downturn in economic growth. This \$18 billion comes from the fact that in 2015, we experienced a six-month recession, and in addition, economic growth over the past few years has been very weak. We could have reduced expenditures by \$18 billion. You know that \$18 billion corresponds in general terms to the assistance families are currently receiving from the Canadian government. It is equivalent to nine times what we spend to support social housing, and to about 200 times what we spend to combat homelessness, to half of all employment insurance benefits, as well as to half of everything we contribute to Old Age Security and the Guaranteed Income Supplement.

We could have done that, but we chose a different approach. I think our approach is preferable.

[English]

The Chair: Thank you.

Mr. Ruimy.

Mr. Dan Ruimy (Pitt Meadows—Maple Ridge, Lib.): Welcome, all three ministers. It's great having you here.

With respect to my colleague's comments, what we had previously was not working. Throughout my campaign, we saw more and more people struggling every single day just to get by. To me, that's an issue.

In my riding of Pitt Meadows—Maple Ridge, like many others across our country, there's a pressing need to increase support for low-income and social housing.

Can Minister Duclos please elaborate on changes to the affordable housing model outlined in budget 2016? In particular, how will these changes tangibly impact low-income communities across Canada?

Hon. Jean-Yves Duclos: Thank you for bringing that topic up. I think there are two things in relation to that question. The first one is a short-term engagement; the second one is a longer-term engagement on the part of the Government of Canada.

We know that the housing needs of Canadians, including lower-income and middle-income Canadians, are very high in many parts of our country. We have heard that strongly over the last year and the last months. We are conscious of that. We know that those needs require rapid reinvestment, and that's what we'll do. The overall number is about \$2.3 billion over two years, which is a significant investment, and adds to the already substantial investment by CMHC. For a shorter-term engagement, we need the re-engagement of the federal government in assisting the housing needs of our citizens in a significant manner.

The longer-term agenda, as I said briefly in my remarks, is to engage in a national housing strategy so that over the longer-term—and we've been hearing that so much over the last few months—Canada, the Canadian government, can operate most effectively with the many other partners we have across our nation. That includes provinces and territories, and municipalities, and a large number of stakeholders and partners who are extremely interested in assisting the housing needs of our citizens.

There are two stages. I think that working together we can ensure that those two stages are the most effective and inclusive as possible.

• (1625)

Mr. Dan Ruimy: Thank you.

We know that if we want to grow our economy, then we have to get people back to work. We know this. People can't get back to work if they have no place to go, no place to live.

As a follow-up, how will this increase in funding be allocated and work in partnership with provincial programming and funding?

Hon. Jean-Yves Duclos: Let me be slightly more specific. We are investing, over two years, \$200 million to assist senior housing, and \$600 million to renovate and provide energy retrofits and water-saving devices to our affordable and social housing stock. We are also investing \$100 million more, for the first time in 18 years, to support those groups that help our homeless population; and we are going to invest about \$100 million to provide shelters for women and children fleeing from violence. Plus, there's the significant housing investments that we'll make for our northern and first nation communities. All of that does not require matching on the part of provinces. What requires matching by the provinces is our doubling of investment in affordable housing, which will move from \$250 million to \$500 million over the next two years. That will enable the provinces and territories, along with the matching they will provide, to do three things: first, to renovate the existing stock; second, to construct new affordable housing; and third, to support our families, those who need that stock of social housing and affordable housing to live in decent and secure conditions.

Mr. Dan Ruimy: Thank you very much.

I know you've been flying back and forth across the country and meeting with plenty of stakeholders. I'm sure it's quite an eye-opening experience to see everything that's going on.

Do you believe this increase in funding will provide communities with sustainable solutions to housing for low-income families? After everything you've seen in your travels, is that what you believe?

Hon. Jean-Yves Duclos: Well, the two steps that I mentioned are crucial. First, we're signalling that we want the Government of Canada to be back again in supporting the housing needs of our citizens. Now we have signalled the type of resources that we are willing to invest. Most importantly is how to use these resources most effectively, because however much we invest, it will always be below the needs of our citizens. We need to be extremely responsible in making sure that the resources we invest are invested in the most appropriate manner. For that, we will require the strong collaboration of our many partners—the provinces, territories, municipalities, and all kinds of stakeholders in Canada—all of whom are very willing and committed to helping us, to make sure, again, that these resources have the greatest impact possible, especially for those Canadians who need them the most.

The Chair: Thank you, Minister.

Now over to Ms. Ashton.

Ms. Niki Ashton (Churchill—Keewatinook Aski, NDP): Welcome and thanks to all three ministers for joining us here today.

My questions are directed more to Minister Mihychuk and her portfolio.

First of all, in terms of employment insurance, we have heard from witnesses, as well as stakeholders, including representatives from the labour movement, that the current regional threshold arrangement for EI does not make sense. Many workers, including those in the resource sector, are finding themselves excluded. We're particularly concerned about the exclusion of unemployed workers in Edmonton and southern Saskatchewan, both regions that have been hit hard by the drop in oil and gas prices and major layoffs in those sectors. Of course, this was raised today in question period on

numerous occasions. Given the sharp rise in unemployment, we'd like to hear what the government's plan is to extend these benefits as soon as possible, given that these workers are hurting significantly, like the workers in the other 12 regions identified in this budget.

Hon. MaryAnn Mihychuk: There's no doubt that the commodity price drop has impacted many Canadians across the country. Anybody who worked to support the resource sector will probably feel the pain. In a broader sense, it illustrates how closely tied our economy and our lives are to the resource sector, so whether you live in an urban downtown condo, or up north, or in the oil fields of Alberta, this is has had a devastating effect on many people.

We had to look at how quickly we could address the serious challenge raised by the price drop, by the calls from workers, by the premiers' calls. By selecting criteria that captured the most severe needs, we wanted to attempt to provide extra support for those who need it most.

Like employment insurance itself, it is not the same for each of the 62 regions. Those differences exist, as they do for any other insurance; there are different costs for different regions. For example, if you look at auto insurance, there are different costs to repair different cars. So the regions are established and reflect the economic criteria of that area and their ability to create other work opportunities. Therefore, the benefits will take longer to obtain and shorter in duration, if it's a very strong economy.

In terms of the areas that fell within that mandate, it turned out that there were 12 regions that—

• (1630)

Ms. Niki Ashton: I am sorry, Minister, but I'm talking about Edmonton and southern Saskatchewan. I appreciate your overview, but my time is limited and I'm keen to hear the government's plan for those two regions in particular.

Hon. MaryAnn Mihychuk: There are many regions that are close to the criteria, which include a 2% increase in unemployment plus a very sharp rise at a sustained level. There are several areas in the country that did not meet that threshold, but there are changes, and in some regions we've seen an increase in jobs and in other areas we continue to see the loss of jobs.

We're monitoring the situation and we must look at this as the months go by.

Ms. Niki Ashton: I'm concerned to hear about the lack of a timeline. While I appreciate the ongoing monitoring, I'm sure that's cold comfort for the thousands of workers and families who are facing very difficult times in these two particular regions, so we'll certainly continue to push the government for immediate action on that front given that the needs are so significant.

I'd like to move to the issue of temporary foreign workers.

A couple of weeks ago we were very concerned to hear about the signing of permits in February with regard to certain seasonal industries that will allow employers in these industries to bring in an unlimited number of temporary foreign workers for 2016 as long as the workers' employment period is short-term and lasts for less than six months.

This flies in the face of the commitment that we heard from your government, Madam Minister, with regard to the importance of a review process prior to signing these kinds of permits. We know that the temporary foreign worker program has been rife with exploitation of workers who are the most disempowered in our country, and we're very concerned about these workers' lack of access to citizenship. We're most concerned about the fact that this decision to allow these permits took place without a review and, frankly, without much transparency whatsoever.

Yes, our committee is to begin conducting a review sometime before the summer break—although one could argue that this issue is so important that we could perhaps have taken it on sooner. Nonetheless, given this situation, I'm wondering if there are any written reports that guided you in making that decision to sign these permits and, if so, if there is a report that provides justification for these exemptions. Could you speak to these reports, could we see evidence of these reports, that will lead us to understand exactly what is going on here?

The Chair: Be very quick, about 10 seconds, Minister.

Hon. MaryAnn Mihychuk: All right.

The issue that came up was that those areas could not meet the needs of the companies and we were vulnerable to losing many of those businesses and the work they were conducting.

The previous system set up by the Conservative government was not sensitive enough to deal with the pressure, and there is a precedent for this extension, in that it was also done last year, under the Conservative government as well.

• (1635)

The Chair: Thank you.

We'll move on to Mr. Sangha.

Mr. Ramesh Sangha (Brampton Centre, Lib.): Mr. Duclos, you mentioned in your speech that the budget announced a lot of new programs for families, including middle-class tax cuts and child benefits. Can you expand on some of those programs that will help families and make their lives easier? Second, what are the expected outcomes of those programs?

Hon. Jean-Yves Duclos: Let me mention four different aspects of the budget that are more relevant to families. The first one wasn't in the budget, but it was just before the budget, and that was the reduction of the tax on middle-class families. We know that it will

decrease taxes by an average of about \$330 per adult for those nine million citizens who will benefit from the cut in their income taxes.

Second, there's significant investment in families with the Canadian child benefit. It's a budget of \$23 billion. We know that this will benefit nine families out of ten by an average of \$2,300. We also know that it will take 300,000 children out of poverty. As I said earlier, it will bring Canada to the lowest level of child poverty ever. It will also be the biggest fall in child poverty through a single measure. That's because it will reduce the child poverty rate from about 11.2% to 6.7%. That's a major outcome when we know that, again, it's not only the short-term well-being that matters. The longer-term impact of those investments is also important.

Third, there's the child care and early learning investment that we want to make. We've now announced resources in the budget for that. As I mentioned just quickly, in February and ever since then, when we've talked to our colleagues in the provinces and territories, we've heard that the involvement of the federal government is extremely important but must be respectful of the diversity of circumstances, interests, and ambitions of our provinces and territories. This is the universal, constant message that we had received and that we are receiving.

Finally, the significant investment in housing will help seniors, indigenous people in our northern communities, and also our families with children, especially those families struggling to make ends meet.

Mr. Ramesh Sangha: Thank you.

The Chair: You're done? Are you sharing your time?

Mr. Ramesh Sangha: I'm sharing my time.

The Chair: Okay.

Monsieur Robillard.

[Translation]

Mr. Yves Robillard (Marc-Aurèle-Fortin, Lib.): Good afternoon, everyone.

Ladies and gentlemen, ministers, I want to thank you for being here with us today, and for your testimony before our committee.

Ms. Qualtrough, you share with Mr. Duclos a mandate to develop a national act for persons with disabilities, to eliminate systemic obstacles and guarantee equal opportunity to all persons with disabilities in Canada.

Could you describe the systemic issues that stand in the way of equal opportunity for persons with disabilities?

[English]

Hon. Carla Qualtrough: Thank you very much for your question. It's a very important one.

As I said in my opening remarks, one of the things that we know is a legislative gap in our current system is the frustration many of us face as advocates when we have to wait until people are discriminated against to help them. We also know that there's a disproportionate burden on individuals with disabilities to address systemic issues through our current human rights structure. We also know that 50% of the complaints to the Canadian Human Rights Commission are on the ground of disability. So we know that there are systemic issues at play.

I can tell you that those issues include accessibility, as physical access is often denied or minimized, and they are attitudinal, as people have assumptions and incorrect knowledge about others' ability. People really focus on what they don't know about what someone with a disability can do, instead of what we'd like them to know.

By giving me the mandate to create a Canadians with disabilities act—which I have now taken to calling “accessibility legislation”, because I believe that's more inclusive—it gives us a chance to have historic conversations at the national level about disability issues, conversation that have never been had before. This will give Canadians with disabilities an unprecedented opportunity to talk about the sometimes difficult and very personal obstacles they face in their full participation in society.

As we move forward, I would say that this is a historic opportunity for us all to listen, to contribute, and to really make the lives of Canadians with disabilities, 14% of our population and growing as our population ages, better and more inclusive.

• (1640)

The Chair: That's the end of the shared time. We're going back to Mr. Robillard.

[*Translation*]

Mr. Yves Robillard: Could you tell us more specifically about the challenges persons with visual disabilities face, and what you intend to do to assist them?

[*English*]

Hon. Carla Qualtrough: I have a bit of first-hand experience here. If you could see the font of my speaking notes, you would believe me.

For people with visual impairments, the challenge is often that the disability is hidden. It's not obvious sometimes that someone can't see you. It's not obvious sometimes that people can't read the material you're providing them.

So along with some more concrete accessibility measures, such as our recent introduction in the House of a law to eventually ratify and accede to the Marrakesh Treaty, for which I thank all of you for your support, we need to again challenge the assumptions made around people and their abilities.

There are feelings of severe social isolation that come with not being able to visually participate in the world in the same way as others. There is also a lack of comprehension of how people interact with the world.

In sport, for example, which is my other passion, we know it takes a child who is as legally blind as me—that is, someone who has less

than 10% corrected vision—seven times longer than a sighted child to get the same benefit from an experience. It's not enough to teach someone how to run. You have to give them seven chances to do the same skill, and this creates some barriers to inclusion.

We know there are 800,000 Canadians who are visually impaired. Referring back to the Marrakesh Treaty, we know that not having access to printed material in alternate formats means there are barriers to education, employment, and to full participation in political and social life.

I can tell you personally that there were some times during the campaign when I couldn't participate in a debate because they handed out questions that were in a small font, or I had to ask for help, which made me feel very vulnerable. It's off-putting when you're nervous in a new situation.

I think it's important to take the opportunity provided by the consultation process to educate ourselves on the various forms of disability and impairment that our fellow Canadians experience, while being a little more open-minded about their potential and the way people contribute to our society. The more access we have, the more we can contribute. I would encourage everyone to be more open-minded.

The Chair: You again?

Mr. Yves Robillard: No.

The Chair: You're sharing your time, okay.

Ms. Tassi.

Ms. Filomena Tassi (Hamilton West—Ancaster—Dundas, Lib.): I'd like to echo what everyone has said around the table in welcoming the three ministers here this afternoon. I'd like to thank you for your opening remarks and express my thanks to your support teams. I know work as a minister is very challenging, and I thank each of you for all you've done to meet these challenges.

My question is for Minister Qualtrough. Let me start by saying I appreciate the passion you bring to the ministry with which you have been charged. It's refreshing and wonderful to hear how much you care about the Canadians you're serving.

I'm going to ask a question with respect to accessibility. For people not living with disabilities, many of these difficulties are invisible. You have just mentioned that. I have worked with high school students for the past 20 years as an advocate and a counsellor. I know the very things you have mentioned. They often have trouble coming and asking for help with different issues—things such as not having a working automatic door, needing help in the bathroom because the sinks aren't at the right height, and being placed in offices that are not wheelchair accessible. It's not just related to young people, of course. It's all people. But having first-hand experience working with the young, I know that small changes can make their lives a lot easier and that they can be integrated into the workplace and communities.

How does the government plan to help working environments and communities to adapt their facilities to ensure better integration of all Canadians? You mentioned the accessibility fund. If you can also speak a little bit about that, I'd be interested in hearing what you have to say.

• (1645)

Hon. Carla Qualtrough: The enabling accessibility fund is designed for exactly the purposes you're talking about. To increase accessibility in smaller projects, we have a \$14 million annual budget. I'm excited to say that in budget 2016 an additional \$4 million was added over two years. With this, we can help employers and communities across the country make those accessibility improvements that really are barriers to full participation. Adding \$4 million over two years, we anticipate around 80 small projects across the country. If you think that each time there is a bar or a ramp or an automatic door and somebody doesn't have to ask for help but feels included, it's a big bang for your buck.

The Chair: Thank you, Minister.

We're going now to Mr. Warawa.

Mr. Mark Warawa (Langley—Aldergrove, CPC): Thank you to the ministers for spending some time with us today.

As the critic for seniors, they will be the focus of my questions, but I appreciate each of your being here. Just before I get into that, I think it's important that each of us be willing to work with one another and that our comments are respectful of one another. I think you can get a lot done if we're all rowing in the same direction, so to speak.

Regarding EI premiums, Minister Mihychuk, I think it was in your mandate to give a break in those premiums to employers to hire younger workers into permanent positions. I think that's one of your priorities. I agree with that but I don't see it in the budget. I would hope it is something you would consider. It's never too late to change the budget until it passes.

Also, compassionate care is a passion of mine. I think it's very important that we take care of people in the last days of their lives, showing them love, respect, and dignity. The EI compassionate care benefit is one of those ways. Minister Robillard was in a previous government, when it was very restrictive who would qualify for compassionate care. Working with departments we were able to change the very prescriptive criteria. For example, a sister could not take care of a sister, a sibling. We changed that, letting the dying person choose who was going to provide the care. Now it's been expanded even more as far as time is concerned.

When I go around and meet with and consult seniors, I'm hearing that a lot of seniors are being cared for. Somebody is taking care of them, and it's not from EI, but people are doing it out of their own goodwill. However, there's a cost associated with that. They are not able to work and support themselves, or they're working part-time. It's physical, emotional, and hard work. It saves taxpayers money. If they could get a tax benefit in some way, if the government could look at that...I'm hearing that from Canadians.

Minister Duclos, your mandate is a national housing strategy, a poverty reduction strategy, and to improve Service Canada's delivery of services. Just recently, I've heard of people calling at eight o'clock

when Service Canada opens. They phone immediately and then within seconds they're getting a recorded message saying that due to the high call load, their phone number... I was quite shocked too, Rodger.

I think Service Canada will need to look at that because people are being put immediately on a long waiting list to try to get through. These are people who need help.

Minister Duclos, I have a question for you with regard to the extra support for a senior who is alone. I think you mentioned that you planned to provide additional benefits under the guaranteed income supplement for seniors living alone, by nearly \$1,000 a year.

A lot of seniors are not living alone and also need the guaranteed income supplement. They may be living with their partner or spouse and have just as much need. Why would we exclude somebody living with a spouse or partner who is a senior in poverty, who needs and qualifies for the guaranteed income supplement?

• (1650)

Hon. Jean-Yves Duclos: Let me start by also showing a sign of respect. You started by signalling the importance of being respectful. I agree. I share with you the view that the more respect we show to each other, the better the chance that we'll work appropriately together, and the better the chance that we'll make this important forum very useful for our respective mandates. I certainly hope to be able to count on this committee in the forthcoming work and to draw guidance and support from you, whatever position we happen to have in this particular Parliament.

On the issue of seniors and Service Canada, you haven't asked a question. You've made a comment. I can certainly say that it's a very important aspect of my mandate, and I have some very good officials around me who would love to manifest the types of ambitions and the types of circumstances we have in mind at this particular time.

More than 70% of seniors living in poverty now are single. Among that 70% of single seniors living in poverty, more than 70% are women. For that particular reason, we have chosen to address the issues faced by those single vulnerable seniors, because more of them are currently living in poverty. There's also, in most cases, a greater situation of vulnerability because they don't have a spouse on whom they can rely or with whom they can collaborate. Both the economic and the social vulnerabilities of these single seniors—again, the majority of whom are female—happen to be quite large. We have heard that over the last year. We heard that in the campaign. That's why we have committed to assisting them in the budget.

The Chair: Thank you.

Mr. Mark Warawa: Do I have any time?

The Chair: Actually, we allowed it to go 45 seconds past.

Mr. Mark Warawa: Thank you.

The Chair: We're going back to Ms. Tassi, please.

Ms. Filomena Tassi: Mr. Chair, I'll be sharing my time with MP Long.

Minister Qualtrough, I'll go back to you. I'm wondering if you can explain how the new Canada child benefit is going to work, in conjunction with the child disability benefit, to bring about more support for lower-income and middle-income families who are caring for disabled children.

Hon. Carla Qualtrough: I should start off by saying that I would defer to my colleague on the details of the Canada child benefit, but what I can say is that any more money in the hands of any parent of a child with a disability is greatly appreciated, because the cost of having a child with a disability is significant. As well, the more significant the impairment, the higher the cost.

Minister Duclos, I don't know if you have anything to add.

I apologize. It's not within my mandate, but I fully support it.

•(1655)

Hon. Jean-Yves Duclos: I'm about to quote you a figure, but I'm almost certain to have it wrong.

Would any of my officials know the exact figure that applies to the benefits for handicapped children?

A voice: We'll find out.

Hon. Jean-Yves Duclos: The answer is that we'll find out and we'll make that known to the member. I think the entire committee would like to know that.

The Chair: Thank you.

Mr. Long, you have about four and a half minutes.

Mr. Wayne Long (Saint John—Rothesay, Lib.): I thank the three ministers for coming in today. I think it's quite rare that we get three ministers to come in for a full two hours, and I really appreciate it. I know that the committee appreciates your time. I have a few questions for everybody, but I'll start with Minister Mihychuk.

Minister, in the recent budget, there is an increase in funding for the labour market development agreements and Canada job fund agreements for the purpose of enhancing investments in training for unemployed and underemployed Canadians. Would you elaborate on how you think the increases in funding will further support skills training and thus help those people gain increased access to the job market?

Hon. MaryAnn Mihychuk: We're very proud to be able to provide more funding to our partners, the provinces and the territories. We share in the responsibility for training and skill development with those partners. The reason is that they know their workforce and the needs and opportunities better than a federal jurisdiction.

Not only are we in challenging economic times—although last month it was nice to see an increase of 40,000 jobs—but we have a

program to finally enhance the funding for our provincial and territorial partners. For instance, in the Canada job fund agreement and Canada job grants, we are increasing that component. The LMAs are increasing by \$50 million in 2016 and 2017; and the LMDAs are also getting an increase, in this case of \$125 million, in this budget.

It's a start to addressing what we've seen as a shortfall and I think we're going to see on-the-ground training and opportunities for individuals, which are sorely needed.

Mr. Wayne Long: I have another question for Minister Mihychuk.

I was quite surprised to hear my colleague opposite talk about the waiting times for service reps. I think service delivery standards were decimated under their previous government. Their government cut 600 positions from the EI process and EI call centres. So if Canadians are waiting for service reps, wouldn't you agree that the cut of 600 service reps may have had something to do with that?

As well, Minister, what's your plan to fix that?

Hon. MaryAnn Mihychuk: There's no doubt at all that there have been drastic reductions and cost-saving measures to balance the budget. If those are in tune with the rapid adoption of modern initiatives or modern ways of delivering services, including chat rooms and the web service, they can be working in harmony. In this case we saw massive cuts to human resources, leaving the front line without those human representatives that many seniors require.

There are many seniors and immigrants who come to the service centres, stand in line, and aren't able to see a representative. We're very proud to be investing \$73 million over two years to provide services to Canadians when and where they need them. So when they pick up the phone, there will actually be somebody there; and if they come into our service centre to see a person, there's will be somebody there. And we will enhance our call centres, so you'll be able to get through. That's our number one concern, the ability to serve Canadians.

•(1700)

Mr. Wayne Long: Thank you, Minister.

The Chair: We go now to Mr. Genuis.

Mr. Garnett Genuis (Sherwood Park—Fort Saskatchewan, CPC): Thank you very much to the ministers for being here, I appreciate this opportunity.

I want to start by asking a question of Minister Qualtrough.

Minister, on Saturday I met a mom in my riding who has autistic children. She had a specific concern that I'd like to share with you and maybe get some feedback on.

She's had some trouble with CRA recognizing certain purchases that she's made as necessary equipment to help her children operate, especially in the area of modern technology. In her experience, the CRA has had a tendency to identify things like maybe an iPod or speech apps, which are really important to her children's participation in society, as toys. That creates a real problem for her.

Could you comment on that? I'd really appreciate it if you were open to talking to your cabinet colleagues about this and seeing if there is some way these concerns can be addressed.

Hon. Carla Qualtrough: First of all, yes, and thank you for the question, because you're certainly not the first one who has brought that to my attention.

As I said earlier, one of the things I'm excited about in having our consultation around accessibility legislation is my hope that a lot of the issues like this that are within federal jurisdiction and wouldn't fall squarely within the four squares of our legislation can be brought to the surface and be addressed.

One of the things we're looking at and doing now is a horizontal environmental scan across government, if you will, of programs and policies to see the language that is used and the barriers that exist, whether they're direct or indirect, to participation or to accessing the service. As for the service you're talking about, ironically, the less expensive and the more common the technology is, the more difficult it is sometimes to get that technology approved, which seems counterintuitive.

I certainly would like to hear from all of you, as we move forward and develop this language and greater common access, of examples just like that of how the government can improve our accessibility. So, thank you.

Mr. Garnett Genuis: Thank you, Minister. I appreciate your understanding. I hope that's an area we'll all be able to work on together across party lines, because I think some of those changes definitely need to happen.

Minister Duclos, I want to ask you about income splitting. I know that perhaps we have a bit of a philosophical difference when it comes to income splitting, but I've never understood the argument against it. Income splitting is a tax cut, but it's about tax fairness. It's about the idea that if you have two families that are earning the same family income, then they should pay the same amount of tax. You can have one family that's earning \$60,000 because one person is making \$30,000 and the other person's making \$30,000, and then you have another family that's making \$60,000 because one is making \$45,000 and the other is making \$15,000. Under an income-splitting system both of those families pay the same amount of tax. Under a system without income splitting they don't pay the same amount of tax. It seems to me intuitive that if you have two different families with the same family income, then they should pay the same rate and the same amount of tax. Your government disagrees. By eliminating income splitting in this budget, families who make different kinds of choices, choices that are good for their families in their view, will pay more tax and a higher rate of tax. As a father of young children, and someone who represents a riding with many young families, this doesn't make any sense to me. I wouldn't ever judge the child care choices that any family makes, but I would

suggest that families should pay the same rate of tax if they earn the same income. I'd appreciate your comments on that.

The Chair: You have about one minute, sir.

Hon. Jean-Yves Duclos: Let me open parenthetically regarding my earlier answer. I should have known the answer by heart. The child disability benefit remains up to a maximum of \$2,730. That's the precise number, which I didn't remember by heart. The answer was faster than I thought it would be.

Now regarding income splitting, there are three reasons that militate against income-splitting measures. The first reason is simplicity. We're assisting families with the Canada child benefit in a very simple manner: it's a single non-taxable transfer every month. A family's transparency and simplicity is greatly enhanced through this particular measure. The second reason—and I think we all agree on this—is that it's those families that need it most that should receive support from the Canadian government. Our resources, as I said earlier, are always going to be limited. We need to invest in those families that need our support most, and income splitting doesn't do that. The third reason is that we are in a modern economy in which the two spouses often work. Incoming splitting will impose on the spouse with a lower income the same marginal tax rate faced by the spouse with the higher income. Nowadays the spouse with the lowest income generally is the woman. Income splitting discourages labour force participation on the part of those lower income spouses. It's the women that typically are lower paid. Since income splitting imposes the same marginal tax rate on the same people in the couple, we think that's not the way the tax system should operate.

• (1705)

The Chair: Thank you, Minister.

Ms. Ashton, please.

Ms. Niki Ashton: I'll be sharing my time with my colleague, Madame Sansoucy.

The Chair: You have a minute for a question.

Ms. Niki Ashton: Yes, I'll make it quick.

My question is for Minister Duclos, but as well for Mr. Siddall, who a few weeks ago talked about the state of the housing stock on first nations as being “abysmal”, a statement that was supported by many people living on first nations, including those in our constituency. Oftentimes, however, the CMHC has been a barrier when first nations have tried to seek solutions. I've heard about the major financial commitments to first nations' housing in this budget. It is very much appreciated, although many communities also say that it is too limited. There are also a number of first nations that are interested in pursuing opportunities to build their own homes on reserve, including sourcing lumber from their own territory, training opportunities and, ultimately, their benefiting that way from the homes they build. Is the CMHC, as part of the conversations you're wanting to engage in, prepared to look at those options that first nations are asking for?

Hon. Jean-Yves Duclos: I'll provide the first part of the answer and let Mr. Siddall provide the rest.

As you said, our brothers and sisters in indigenous communities need our support in a significant manner in two different ways: first in terms of attitude, and second in terms of actions. I think we want to change both. The attitude announced is going to be different on a nation-to-nation basis, and the resources and the actions, as you rightly mentioned, are going to be important. I'm not going to mention the numbers, because you know those numbers. I will let Mr. Siddall get on with some further details.

Mr. Evan Siddall (President and Chief Executive Officer, Canada Mortgage and Housing Corporation): I'll reply directly by answering that, yes, we will be participating in consultations as part of the national housing strategy that Minister Duclos responded on. We will also be doing so in the context of consultations with first nations among ourselves, our colleagues at Employment and Social Development Canada and Indigenous and Northern Affairs Canada, in identifying needs among first nations communities on reserve as well as Inuit communities in the north—meaning indigenous populations as a whole—to hear from them.

You will have noted—and I'll talk more on Wednesday about what's in the budget for Inuit and northern housing as well as first nations housing—that it's a very high priority for us. We're delighted to follow the lead of the government of the day and continue to make more investments in housing for indigenous communities.

The Chair: Please be brief. I'm sorry.

[*Translation*]

Ms. Brigitte Sansoucy (Saint-Hyacinthe—Bagot, NDP): Thank you, Mr. Chair.

My question is addressed to Minister Duclos.

In your report, you mentioned that you would be happy to keep the committee abreast of progress on the development of a poverty reduction strategy. Last February 26, I introduced Bill C-245, which was in fact about the development of that strategy. And so I would like to know what has already been achieved, and what remains to be done.

Hon. Jean-Yves Duclos: Thank you for the question.

The first stage began before the end of 2015, when I had the opportunity of discussing things with all of the territorial and provincial ministers by telephone, and of speaking to them about the mandate I had received, which we had announced to the population.

The second stage took place on February 4 and 5 in Edmonton, at the forum of ministers responsible for social services, where we began to discuss this important mandate and the ways of working together to develop this poverty reduction strategy.

Since the beginning of February I have been attending meetings practically every day with the various stakeholders, with a view to making both substantive and rapid progress. But sometimes there is a conflict between speed and substance, and trade-offs may have to be made. We want to do things as quickly as possible, but we also want to do them in the best possible way. With your support, and with the cooperation of all of the members of the committee, we will

be able to make both speedy and substantive progress. I will be happy to keep you informed of the progress on that initiative.

• (1710)

[*English*]

The Chair: Thank you, Minister.

We'll move now to Mr. Warawa.

Mr. Mark Warawa: I'll be sharing my time with Mr. Genuis.

I just have a couple of quick points, the first in regard to the wait times at Service Canada. I just brought that to your attention. We've received calls from constituents saying it's hard to get through to Service Canada. This is a recent situation, and hopefully you can look at that. The minister's been in government now for half a year, and this is a recent problem. So I don't know what has changed at Service Canada recently, but it is a recent problem.

In talking to the numerous stakeholders in Canada regarding seniors, there is a common request to have a minister for seniors. Now, Minister Mihychuk said that you have a minister for youth—and I believe that is the Prime Minister himself—and previous parliaments have had a minister for seniors. We find ourselves living in a unique time. One in six Canadians is a senior—I'm one of them. There are seniors around this table, Mr. Chair, and it's a growing number. It's one in six right now; in seven years it will be one in five; and in 14 years it will be one in four. There's this major shift in Canada, and Canada does not have a minister for seniors. I'd encourage you to maybe raise that around the cabinet table because it's very important and very concerning for a number of Canadians that there is no minister for seniors.

They are also asking for a national seniors' strategy. To spend money, and a lot of money without a plan.... You must have a target to be able to hit it, and so you must have a strategy. So there's a call for a national seniors' strategy and also a national palliative care strategy. That was supported in the last Parliament by Liberals and Conservatives, and the NDP, the Green Party, and the Bloc. There was almost unanimous support in the last Parliament for a national strategy on palliative care. It's critical. It's needed to take care of our seniors.

One last quick point, and then I'll hand this over to Mr. Genuis.

British Columbia is one of the economic engines in Canada and LNG is the future. We have a number of MPs from British Columbia. LNG is one of the cleanest sources of energy in the world, and if we get LNG—liquefied natural gas—shipped into Asia, it will provide a much cleaner energy source for Asia. Instead of burning coal, they would burn natural gas. It's safe, it creates jobs. What is unique right now is the real concern that you see expressed in B.C. newspapers about the decision on the LNG projects in British Columbia. The opportunity to get these billions of dollars in investments is right now, and there seems to be a delay from the government. I encourage the government, the ministers, to really consider this. If we delay, we may lose this opportunity that would benefit B.C. and Canada.

The Chair: Mr. Genuis.

Mr. Garnett Genuis: Mr. Duclos, I want to respond to your comments about income splitting, and then have you respond in turn, if that's all right.

You raised the issue of simplicity, and I find this a little odd because many, if not most, countries in the western world have some form of income splitting, including France, Ireland, Germany, Poland, Luxembourg, Spain, Portugal, and the United States. There are other examples. I think if they can figure it out, we can too. It's pretty simple: families that are making the same family income pay the same rate of taxes.

You said this doesn't help the worst-off. It was a tax fairness measure that was capped, you'll remember, at \$2,000 in terms of the benefit it paid out, which ensured that the benefits were proportionately for those at the middle and low end.

Doesn't this comment about the higher marginal tax rate discouraging workforce participation contradict your whole justification for raising taxes on top-income earners? You're raising taxes on top-income earners on the basis, presumably, that it won't have a negative effect on their participation in the workforce and their productivity, and yet in the context of income splitting you're arguing that having that same marginal tax rate on potential new entrants to the workforce has a negative effect. You can't have your cake and eat it too on those points. Right? You have to choose one or the other.

I'd be curious for your comments on those points.

The Chair: You have one minute, sir.

• (1715)

Hon. Jean-Yves Duclos: These are very good questions, but the answers will have to be limited.

Let me take one question and leave the other to Ms. Levonian, who will talk about Service Canada.

On the question on seniors, I think the important thing here is to recognize that the welfare of seniors belongs to all kinds of departments, and I happen to be one of those ministers who has a particularly important role to play in the welfare of seniors. With due respect, in the matter of a few weeks we've done quite a lot for seniors. We've increased the guaranteed income supplement, which benefited 900,000 seniors. We have moved the age eligibility to 65, therefore taking 100,000 seniors out of poverty per year. We have announced \$200 million to construct housing for seniors, which is something that is quite important. We've also announced that we're going to index pensions for seniors according to the real costs faced by seniors. It's quite an important array of measures for seniors just in my department.

To have a minister of seniors would have to have visibility advantages, but what is important is that decisive actions are taken by government on this particular aspect. I would prefer to have ministers being decisive in their actions than a minister of seniors just being a communicator and perhaps a press person to sell policies decided and made by others in government. I say this with all due respect, of course, but I have an impression that seniors want actions and decisions as opposed to just media facilitators.

For Service Canada, I would perhaps let Ms. Levonian address that issue.

The Chair: Yes, be very brief. Thank you.

Ms. Louise Levonian (Chief Operating Officer, Service Canada, and Senior Associate Deputy Minister, Department of Employment and Social Development): Service to Canadians is obviously something that's very important to Service Canada, as is ensuring quality service. We obviously have service standards, and we monitor them very closely, on Internet, on telephone, and in person. Generally speaking, those service standards are all met. The area of call centres is one where there has been difficulty over the last number of years, but it's not a recent phenomenon.

The Chair: Thank you.

Mr. Ruimy.

Mr. Dan Ruimy: As an MP from British Columbia, I feel the need to respond to my colleague on the other side who knows full well that, while we choose not to ram projects through without the proper assessment, LNG has been sent back because it has not met the environmental requirements as of yet, while we have passed the Woodfibre one, which has passed the environmental requirements. I just felt the need to say that.

My question is for Ms. Mihychuk.

I'm a big believer in EI programs. If we hadn't had some of the EI programs, I would not be sitting here as an MP, because seven years ago I could not find a job. I struggled with the middle-age gap; I struggled with wage gaps. I was just like everybody else: I struggled, too. It was self-employment work program that I was able to get on with Douglas College in one of our regions that allowed me to start my own business, which led me to where I am today.

Having said that, while extending the working while on claim pilot project is an important step in connecting individuals to the labour market and integrating EI claimants back into the job market more successfully, I'd like the minister to please elaborate on how this change in the employment insurance system, as well as other changes in support being offered to EI claimants, will support skills training and workers successfully re-entering the workforce.

• (1720)

Hon. MaryAnn Mihychuk: The EI changes we have made are quite extensive. The working while on claim pilot project is one of those that have been going on for over a decade. Actually, it needs some resolution to make it a permanent program, but given that we have phase two coming up, we have decided to renew the pilot for a two-year extension. It will allow Canadians the opportunity to work while on claim, collecting EI benefits, and select the program that works best for them. It's more generous than what was available and will allow them to become familiar with a new career, perhaps, and also allow workplaces to work with those employees.

We've also eliminated discriminatory practices, such as NERE. We've reduced the deductible, giving more money to people upfront when they need it most, to pay the rent, put food on the table, and get a new outfit to go out and find another job.

We've also increased work sharing from 38 weeks to 76 weeks, helping small business, and at the same time reducing EI premiums from \$188 to \$161. That is 4¢ lower than we projected. I should say that it's projected to be \$161; if everything goes as expected, it will be coming in at \$161, a significant saving not only to workers, but especially to small businesses and employers. Additionally, we're providing extra help for those areas that, under other circumstances, would have been able to create new jobs more quickly. For those areas, we're extending benefits.

I think the program, through a number of both regular EI changes and special benefits, is there to help people when they need it most.

This is only phase one. There is more coming, including looking at compassionate care, flex time, and parental leave, which I'm excited about. It's a nice time to be looking at the overall program, especially that the committee is looking at providing input to that. That's going to be very important.

Thank you for your work.

Mr. Dan Ruimy: How do you think these particular changes are relevant to the current job market and increased rates of unemployment in particular regions? What do you believe will be some of the tangible outputs we will see from increasing incentives to re-enter the job market and improve skills training for unemployed and under-employed people, even if these may be in sectors that claimants may be less familiar with?

Hon. MaryAnn Mihychuk: One of the things that Canada has used is the temporary foreign worker program, for example, in those areas where we said we didn't have Canadians. Well, we have a government that is saying that it's Canadians first. It's very important that we provide training and opportunities to those people who are in those regions and who are looking for work.

Most Canadians I know want a job. There are indigenous people who have not worked, not been given an opportunity, and there is our disabled population. They come highly skilled and are willing to work. In addition, there are many women who don't have access to child care and are therefore not able to be active in the workforce. They're forced to take vulnerable jobs.

These changes are a step forward to making Canada the more inclusive country we all want. I think we're going to see increases in opportunities for Canadians, including indigenous Canadians, and young people whose unemployment rate is more than double that of the regular population. As they're educated, they still can't find work. This is an untenable situation that must be addressed. So we're going to see more people in the workplace and a more modern, flexible, and compassionate Canada.

The Chair: Thank you, Minister.

Ms. Ashton.

Ms. Niki Ashton: I would like to address that point you raised, Minister, of the particular situation that young people are facing in the job market and the rise in precarious work. Right now we know

that about 39% of young people are facing precarious work. This is, of course, beyond the fact that we also have many young people who are simply unemployed.

One of the pieces, of course, that comes with precarity is the inability to access the social safety net. Many young people are unable to access EI because they simply don't have enough hours.

We've heard from many stakeholders, including the Canadian Labour Congress, the CCPA, and many others, who've talked about the need for a universal threshold of 360 hours. I'm wondering if this is something your government is looking at, to meet people where they're at in the current job market.

• (1725)

Hon. MaryAnn Mihychuk: In budget 2016, we were able to increase the work experience. Employers will often say that young people need more experience and more training. We're able to provide more access to post-secondary education, more co-op opportunities, more apprenticeships, and more summer jobs where they can get real hands-on experience.

We're also eliminating the situation whereby young people would have to work sometimes twice as much as an average Canadian. That discriminatory action has been eliminated. Young people are going to work. We expect to see a change.

That's exactly why we have a minister for youth. The situation for young people is serious and deserves attention, and I'm very proud to be with a government that understands that.

Ms. Niki Ashton: Just quickly, and still on the issue of precarity, we know that just recently an Ontario court came out with a decision on the Keenan v. Canac Kitchens Ltd. case. In that case the Ontario labour code was forced to look at the definition of "contractor".

Given the situation that many people face in Canada right now in being defined as independent contractors and therefore being unable to access EI, I'm wondering what steps your department is taking to bring the labour code up to speed to make sure that precarious workers working on contract in workplaces under federal jurisdiction are able to access programs such as EI, but are also granted the same protections as other workers. Again, that's on the issue of workplace safety as well.

Hon. MaryAnn Mihychuk: I want to thank the member for her question. She's obviously well read and knows these files very well.

On the issue of contributions and benefits to contractors, I'm going to pass it over to the deputy minister of labour. This is an area that is in my mandate and that we intend to work on, but I'll ask the deputy minister to give us a quick update.

Ms. Lori Sterling (Deputy Minister of Labour, Department of Employment and Social Development): Thank you for your question on precarious work.

As you know, part III of the Canada Labour Code deals with labour standards. The court case dealt with who is entitled to wages upon dismissal. Minister Mihychuk has it explicitly in her mandate that she is to work together with Minister Duclos as part of the poverty reduction agenda. They are to review, as it says specifically in her mandate, “the Fairness at Work” report, which has in it several recommendations related to precarious work.

The Chair: You have two more minutes, if you wish.

Ms. Niki Ashton: That's great.

I'm guessing at what the timeline is for that review.

Hon. MaryAnn Mihychuk: I'll turn it over to the deputy minister.

Ms. Lori Sterling: On the timeliness of the review, we intend to start consulting on it. The report, as you may well know, is from 2006, and some of the recommendations have already been implemented. I think we're going to take our time in the fall to consult and then get directions on a future agenda.

Ms. Niki Ashton: That's great. We look forward to more information on how that review is being proposed and certainly on timelines. We're keen to see it be as transparent as possible so that Canadians who are deeply affected—and increasingly affected, I would say—by the rise of precarity are engaged as much as possible.

[*Translation*]

Mr. Duclos, in December 2013 you wrote a report entitled “Les dépenses en santé du gouvernement du Québec, 2013-2030: projections et déterminants”. Your conclusions suggest that the aging of the population will not spare the rest of the country, and will make health an increasingly costly budget item.

This budget does not demonstrate leadership in health expenditures. In light of your position on social development, do you think that you will have to show leadership as concerns the health care system, and adopt a comprehensive approach to health care for Canadians?

• (1730)

Hon. Jean-Yves Duclos: Thank you.

I thank you for having read my old report. I hope it wasn't too boring.

There are two things.

First of all, we have to think about the considerable impact that demographic change is going to bring about in our society. This will obviously impact health care, which I will get back to in a moment, but also many other social and economic dimensions of our lives. These are major changes. It is in our interest to reflect upon them carefully and to work on this with close attention.

That said, as you know, I am not the minister responsible for health matters. The fact remains that we all agree that these resources will be important, as the article pointed out, as well as the way in which we use them. I think that all of us around this table agree that even if the management of health care falls under provincial jurisdiction, the Canadian government hopes to play a role as facilitator and offer encouragement and financial support. As you said so well, we are not only talking about health care, but also about a more global approach to health. Since these issues impact almost all of the provinces and territories in a very important way, I think that the Canadian government will want to step up once again by offering its best cooperation and support.

[*English*]

The Chair: Thank you.

Thank you to all the ministers and officials for being here today.

I know there are people itching to ask even more questions. I believe the officials will be here on Wednesday, so if there are questions, we can save them for then.

I would also like to thank our fantastic interpreters in the back, as always; our technicians; the analysts and the clerk team, for making me look good; and all of you for joining us. We meet every Monday and Wednesday at 3:30, so please feel free to join us. We don't usually get this kind of crowd.

We do have another committee meeting here right afterwards, so I ask that as we break up, we move out into the hallway if there is any further conversation.

Thank you very much everybody.

Published under the authority of the Speaker of
the House of Commons

SPEAKER'S PERMISSION

Reproduction of the proceedings of the House of Commons and its Committees, in whole or in part and in any medium, is hereby permitted provided that the reproduction is accurate and is not presented as official. This permission does not extend to reproduction, distribution or use for commercial purpose of financial gain. Reproduction or use outside this permission or without authorization may be treated as copyright infringement in accordance with the *Copyright Act*. Authorization may be obtained on written application to the Office of the Speaker of the House of Commons.

Reproduction in accordance with this permission does not constitute publication under the authority of the House of Commons. The absolute privilege that applies to the proceedings of the House of Commons does not extend to these permitted reproductions. Where a reproduction includes briefs to a Committee of the House of Commons, authorization for reproduction may be required from the authors in accordance with the *Copyright Act*.

Nothing in this permission abrogates or derogates from the privileges, powers, immunities and rights of the House of Commons and its Committees. For greater certainty, this permission does not affect the prohibition against impeaching or questioning the proceedings of the House of Commons in courts or otherwise. The House of Commons retains the right and privilege to find users in contempt of Parliament if a reproduction or use is not in accordance with this permission.

Also available on the Parliament of Canada Web Site at the following address: <http://www.parl.gc.ca>

Publié en conformité de l'autorité
du Président de la Chambre des communes

PERMISSION DU PRÉSIDENT

Il est permis de reproduire les délibérations de la Chambre et de ses comités, en tout ou en partie, sur n'importe quel support, pourvu que la reproduction soit exacte et qu'elle ne soit pas présentée comme version officielle. Il n'est toutefois pas permis de reproduire, de distribuer ou d'utiliser les délibérations à des fins commerciales visant la réalisation d'un profit financier. Toute reproduction ou utilisation non permise ou non formellement autorisée peut être considérée comme une violation du droit d'auteur aux termes de la *Loi sur le droit d'auteur*. Une autorisation formelle peut être obtenue sur présentation d'une demande écrite au Bureau du Président de la Chambre.

La reproduction conforme à la présente permission ne constitue pas une publication sous l'autorité de la Chambre. Le privilège absolu qui s'applique aux délibérations de la Chambre ne s'étend pas aux reproductions permises. Lorsqu'une reproduction comprend des mémoires présentés à un comité de la Chambre, il peut être nécessaire d'obtenir de leurs auteurs l'autorisation de les reproduire, conformément à la *Loi sur le droit d'auteur*.

La présente permission ne porte pas atteinte aux privilèges, pouvoirs, immunités et droits de la Chambre et de ses comités. Il est entendu que cette permission ne touche pas l'interdiction de contester ou de mettre en cause les délibérations de la Chambre devant les tribunaux ou autrement. La Chambre conserve le droit et le privilège de déclarer l'utilisateur coupable d'outrage au Parlement lorsque la reproduction ou l'utilisation n'est pas conforme à la présente permission.

Aussi disponible sur le site Web du Parlement du Canada à l'adresse suivante : <http://www.parl.gc.ca>