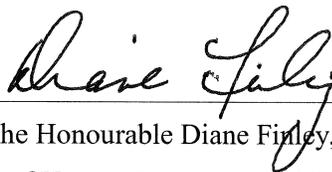

HUMAN RESOURCES AND
SKILLS DEVELOPMENT CANADA
AND
SOCIAL DEVELOPMENT CANADA

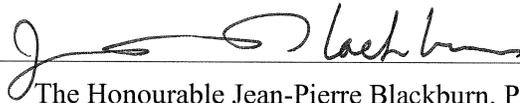
**2005-2006
Estimates**

A Departmental Performance Report

Approved by:



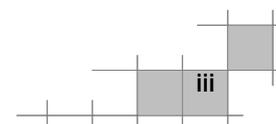
The Honourable Diane Finley, P.C., M.P.
Minister of Human Resources and Social Development



The Honourable Jean-Pierre Blackburn, P.C., M.P.
Minister of Labour

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MINISTERS' MESSAGES

Message from the Minister of Human Resources and Social Development



Accountability means demonstrating to Canadians in a meaningful way what has been accomplished with the resources entrusted to a department. This Departmental Performance Report provides a comprehensive picture of the activities of the former departments of Human Resources and Skills Development and Social Development Canada for the period of April 2005 to March 2006.

On January 23, 2006 Canadians elected a Government focused on five priorities: accountability, lower taxes, crime, child care, and health care. Human Resources and Social Development Canada will play a leadership role in delivering on the Government's commitment to Canadians to support children and families and invest in skills and learning. I am very proud to have been

mandated with such an integral part of the Government's priority agenda.

We intend to streamline management policies to ensure that public service employees can carry out their work in the most efficient and effective way possible. One of the ways we are doing this is through the *Federal Accountability Act* and Action Plan which will provide for a new approach to expenditure management focused on results and value for money.

The newly created Human Resources and Social Development Canada reflects the Government's recognition that Canada's success depends on the ability of Canadians and our communities to reach their full potential.

The Honourable Diane Finley, P.C., M.P.
Minister of Human Resources and Social Development

Message from the Minister of Labour



The workplace is where a nation's wealth is generated. It is also where most working age individuals spend a major part of their lives working. The state of a nation's workplaces no doubt has an impact on its economic and social outcomes.

The Labour Program has the mandate to promote safe and productive workplaces through its legislative role in mediation and conciliation in labour-management relations and monitoring and enforcing appropriate working conditions.

As part of an international role, our objective is to promote good governance, the rule of law, harmonious labour-management relations and respect for labour standards and rights.

This Departmental Performance Report for 2005-2006 presents the work that was done in the Labour Program against the plans and the priorities outlined in the 2005-2006 Report on Plans and Priorities of the former Human Resources and

Skills Development Canada.

I will continue to work with the talented people in the new department of Human Resources and Social Development to ensure the effective implementation of the Labour Program.

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

MANAGEMENT REPRESENTATION STATEMENT

I submit, for tabling in Parliament, the *2005-2006 Departmental Performance Report* for Human Resources and Skills Development Canada and Social Development Canada.

This document has been prepared based on the reporting principles contained in the *Guide for the Preparation of Part III of the 2005-2006 Estimates – Reports on Plans and Priorities and Departmental Performance Reports*:

It adheres to the specific reporting requirements outlined in the Treasury Board Secretariat guidance;

It is based on the Department's approved Program Activity Architecture structure as reflected in its Management, Resources and Results Structure;

It presents consistent, comprehensive, balanced and reliable information;

It provides a basis of accountability for the results achieved with the resources and authorities entrusted to it; and

It reports finances based on approved numbers from the Estimates and the Public Accounts of Canada in the Departmental Performance Report.



Janice Charette
Deputy Minister
Human Resources and Social Development Canada

MANAGEMENT REPRESENTATION STATEMENT

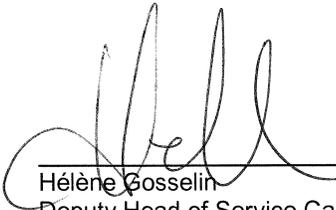
To the best of my knowledge, the results achieved in support of the Labour program are presented in a complete, accurate and balanced manner in the *2005-2006 Departmental Performance Report* for Human Resources and Skills Development Canada and Social Development Canada.



Munir A. Sheikh
Deputy Minister of Labour and Associate Deputy Minister of Human Resources and Social Development
Canada

MANAGEMENT REPRESENTATION STATEMENT

To the best of my knowledge, the results achieved in support of Service Canada are presented in a complete, accurate and balanced manner in the *2005-2006 Departmental Performance Report* for Human Resources and Skills Development Canada and Social Development Canada.



Hélène Gosselin

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



DEPARTMENTAL OVERVIEW

INTRODUCTION

On February 6, 2006, the departments of Human Resources and Skills Development Canada (HRSDC) and Social Development Canada (SDC) were consolidated into the department of Human Resources and Social Development. The new Department will ensure integrated policy and program development as well as improved delivery of programs and services through Service Canada.

This document reports on the performance of Human Resources and Skills Development Canada and Social Development Canada for the period from April 1, 2005 to March 31, 2006. This section provides a common overview for both departments, including a brief description of the socio-economic environment, and a summary of departmental performance.

Section II contains a chapter covering the former departments of HRSDC and SDC including detailed performance results information by strategic outcome. Section III includes detailed supplementary information for each department including financial tables.

Human Resources and Skills Development Canada

HRSDC's vision is a country where individuals have the opportunity to learn and to contribute to Canada's success by participating fully in a well-functioning and efficient labour market and where workplaces offer constructive labour-management relations and safe and productive working conditions. HRSDC's mission is to improve the standard of living and quality of life of all Canadians by promoting a highly skilled and mobile labour force, and efficient and inclusive labour market and workplaces.

The Department contributes to meeting its vision and mission by providing Employment Insurance benefits to support Canadians during times of transition, such as job loss, sickness and birth or adoption of a child, providing care or support to a gravely ill family member with a significant risk of death, providing employment programs for the unemployed, enhancing access to post-secondary education, encouraging workplace skills development, and encouraging lifelong learning for Canadians. It promotes a safe, healthy, fair, stable, cooperative and productive work environment. It works toward enhancing Canadian communities' capacity to address issues of homelessness.

HRSDC is a major provider of direct services to Canadians. The department is continuing to modernize the way benefits and services are delivered, to improve its capacity to reach, engage and serve Canadians.

The performance and financial information for HRSDC will be reported based on the six strategic outcomes that were developed for HRSDC's 2005-06 Report on Plans and Priorities.

To view HRSDC's PAA see Diagram 1 on pg. 9. The strategic outcomes are:

"Efficient and inclusive labour market transitions through temporary income support and active employment measures"

"Enhanced productivity and competitiveness of Canadian workplaces by supporting investment in and recognition and utilization of skills"

"Through access to learning, Canadians can participate fully in a knowledge-based economy and society"

"Safe, healthy, fair, stable, cooperative and productive workplaces"

"Enhanced community capacity to contribute to the reduction of homelessness"

"Seamless, integrated and multi-channel service delivery that ensures client satisfaction"

Diagram 1: Former Human Resources and Skills Development Canada Mandate

FORMER HRSDC MANDATE

Vision

A country where everyone has the opportunity to learn, and to contribute to Canada's success by participating fully in a well-functioning and efficient labour market.

Mission

To improve the standard of living and quality of life of all Canadians by promoting a highly skilled and mobile labour force and an efficient and inclusive labour market.

Strategic Outcomes

Efficient and inclusive labour market transitions through temporary income support and active employment measures.	Enhanced productivity and competitiveness of Canadian workplaces by supporting investment in and recognition and utilization of skills.	Through access to learning, Canadians can participate fully in a knowledge-based economy and society.	Safe, healthy, fair, stable, cooperative and productive workplaces.	Enhanced community capacity to contribute to the reduction of homelessness.	Seamless, integrated and multi-channel service delivery that ensures client satisfaction.
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Program Activities

Employment Insurance	Employment Programs	Workplace Skills	Learning	Labour	Homelessness	Policy, Program and Service Delivery Support
----------------------	---------------------	------------------	----------	--------	--------------	--

Program Sub-Activities

Benefits Claims Processing Employment Insurance Premium Collection Appeals Investigation and Control Program Management and Service Improvement	Employment Benefits and Support Measures Labour Market Development Agreements Transfers Aboriginal Human Resources Development Strategy Aboriginal Skills and Employment Partnerships Youth Employment Strategy Labour Market Adjustments and Official Language Minority Communities	Human Resources Partnerships Foreign Worker Program Labour Exchange Labour Market Information	Student Financial Assistance Canada Education Savings Program National Literacy Secretariat Learning Initiatives Program International Academic Mobility Office of Learning Technologies	Federal Mediation and Conciliation Service National Labour Operations Intergovernmental Affairs International Labour Affairs Workplace Policy and Information Aboriginal Labour Affairs	Supporting Communities Partnership Initiative Urban Aboriginal Homelessness National Research Program Regional Homelessness Fund Homeless Individuals and Families Information System Surplus Federal Real Property for Homelessness Initiative	Regional and Local Program and Service Delivery Strategic Policy and Planning Communications
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Social Development Canada

Social Development Canada's goal is to encourage and enable individuals, families and communities to reach their full potential, and to maintain the quality of life that Canadians expect. A major focus of the Department is to help children and families, persons with disabilities and seniors by exploring approaches to ensure their well-being and active participation and dignity. The department is also focussed on strengthening the capacity of voluntary organizations to contribute to our communities.

SDC seeks to achieve its goal by reducing barriers and facilitating access to opportunities; by investing in people and strengthening communities; by delivering seamless, innovative and responsive service, both internally and externally; by working with federal partners, other governments and communities; by supporting our employees; and by serving Canadians with integrity and commitment.

Social Development Canada plays an integral role in social policies, programs and services. SDC works with the provincial and territorial governments, Aboriginal people, partners, stakeholders and Canadians to ensure children and their families, seniors, persons with disabilities, caregivers, communities and others facing social challenges have the support they need for their well-being and to facilitate their participation in society.

The largest component of SDC expenditures provides income support to Canadians through program benefits that Parliament has legislated, namely the Old Age Security program (which is funded from general tax revenue) and the full range of benefits from the Canada Pension Plan (which is a contributory program that is not part of the consolidated revenue fund).

Other SDC activities involve operating expenditures such as those that support the National Child Benefit. Some SDC programs that support families and children are delivered in collaboration with provincial and territorial governments including the Early Childhood Development Agreement and the Multilateral Framework on Early Learning and Child Care.

SDC supports the community, private and voluntary sectors to promote the participation of all citizens. In addition to providing CPP benefits for persons with disabilities, SDC works with the provinces to promote the full participation of persons with disabilities (in the labour market, learning environments and communities) through programs such as the Opportunities Fund and through initiatives such as the Labour Market Agreements for Persons with Disabilities.

The performance and financial information for SDC will be reported based on the five strategic outcomes that were developed for SDC's 2005-06 *Report on Plans and Priorities*. To view SDC's PAA, see Diagram 2 on pg 11. The strategic outcomes are:

"A Canada where the quality of life and inclusion for Seniors is enhanced and poverty alleviated through sustainable public pensions, benefits and supports"

"A Canada where the social and economic participation of Persons with Disabilities is enhanced"

"A Canada where vibrant and inclusive communities meet the social development needs of Canadians"

"A Canada where the capacities of Individuals, Children, Families and Communities are strengthened in order to promote social inclusion, participation and well-being"

"A Canada where service delivery is focussed on citizen needs"

Diagram 2: Former Social Development Canada Mandate

FORMER SOCIAL DEVELOPMENT CANADA MANDATE			
Vision			
A Canada for all, where everyone participates and plays an active role.		To strengthen Canada's social foundations by supporting the well-being of individuals, families, and communities, as well as their participation through citizen-focused policies, programs and services. We will achieve this by reducing barriers and facilitating access to opportunities; investing in people and strengthening communities; delivering seamless, innovative and responsive service, both internally and externally; working with federal partners, other governments and communities; supporting our employees; and serving Canadians with integrity and commitment.	
Mission			
A Canada where the quality of life and inclusion for Seniors is enhanced and poverty alleviated through sustainable public pensions benefits and supports.		A Canada where vibrant and inclusive communities meet the social development needs of Canadians.	
A Canada where the social and economic participation of Persons with Disabilities is enhanced.		A Canada where the capacities of individuals, Children, Families, and Communities are strengthened in order to promote social inclusion participation and well-being.	
A Canada where the quality of life and inclusion for Seniors is enhanced and poverty alleviated through sustainable public pensions benefits and supports.		A Canada where service delivery is focussed on citizen needs.	
Strategic Outcomes			
Income Support		Investments in Children and Families	
Inclusion and Participation		Service Innovation	
Program Activities			
Vibrant Communities			
Program Sub-Activities			
Canada Pension Plan – Retirement, Survivors, and Death	Canada Pension Plan – Disability	Social Development Partnerships Program	Modernizing Service for Canadians – Research and Development
Old Age Security/Guaranteed Income supplement	Labour Market Agreements for Persons with Disabilities	Voluntary Sector Initiative	Enterprise-wide Service Delivery
	Opportunities Fund for Persons with Disabilities	New Horizons for Seniors	Early Childhood Development Agreement
		Understanding the Early Years	Multilateral Framework for Early Learning and Childcare
Modern Service and Benefits Delivery			
Corporate and Shared Services			
Clients: Seniors, Persons with Disabilities, Communities, Community Organizations, Children, Families, Individuals			
Partners: All Levels of Government, Canadians and their MPs, Employers, Unions, Service Providers, Community Organizations, Not-for-Profit and Voluntary Sectors, Non-Governmental Organizations, Research Partners, International Organizations.			

In the fall of 2005, a new Program Activity Architecture (PAA) was approved for the former SDC. See SDC PAA crosswalk, see Diagram 5 on pg 192.

Service Canada

Service Canada was launched in September 2005 to provide Canadians with better, more convenient and more responsive service delivery and one-stop access to an extensive range of programs and services from federal government departments and agencies. It builds on over a decade of work within the Government of Canada to improve the delivery of services to Canadians. Service Canada has an operating budget of nearly \$1.9 billion and over 20,000 employees.

Service Canada brought together a network of Human Resources and Skills Development Canada local offices that were providing in-person services, Social Development Canada and Public Works and Government Services 1 800 O-Canada call centres and service delivery operations of Canadian Heritage's three official language minority community groups. Service Canada provides Canadians with a single place to turn - in person, online, over the phone and through the mail - for programs and services on behalf of a number of federal departments, and works to provide service on behalf of an increasing range of provincial and territorial partners.

Service Canada 2005-2006 activities included:

- Paying almost \$70 billion in government benefits to roughly 8 million Canadians (\$190 million per day) last year – equal to 5% of Canada's Gross Domestic Product and 30% of Government of Canada expenditures.
- Making 124 million individual payments to Canadians for Employment Insurance, Canada Pension Plan, Old Age Security and other benefits.
- Processing more than 5 million applications for government benefits.
- Receiving 1.5 million requests for Social Insurance Numbers.
- Posting 800,000 job ads from employers.
- Receiving more than 56 million calls about the Government of Canada, its programs and services.
- Providing electronic services to more than 2.5 million Canadians per week.
- Conducting 500,000 interviews with Canadians about the services and programs they need.
- Using outreach services to connect directly with more than 250,000 Canadians in their communities.
- Mailing more than 20 million letters.
- Working with more than 55,000 community organizations

"Achieve better outcomes for Canadians through service excellence"

Canada's Performance

The strategic outcomes developed by HRSDC and SDC contributed to several government-wide outcomes as set out in *Canada's Performance 2005*.

HRSDC	SDC	Government of Canada Outcome
√		Sustainable economic growth
√	√	An innovative and knowledge-based economy
√	√	Income security and employment for Canadians
√		A fair and secure marketplace
		A clean and healthy environment
√		Healthy Canadians with access to quality healthcare
√	√	Inclusive society that promotes linguistic duality and diversity
		A vibrant Canadian culture and heritage
√		Safe and secure communities
		A strong and mutually beneficial North American partnership
	√	A prosperous global economy that benefits Canadians and the world
		A safe and secure world
		Global poverty reduction through sustainable development

For more information on Canada's Performance 2005, please visit:
http://www.tbs-sct.gc.ca/report/govrev/05/cp-rc_e.asp

MANDATE

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

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

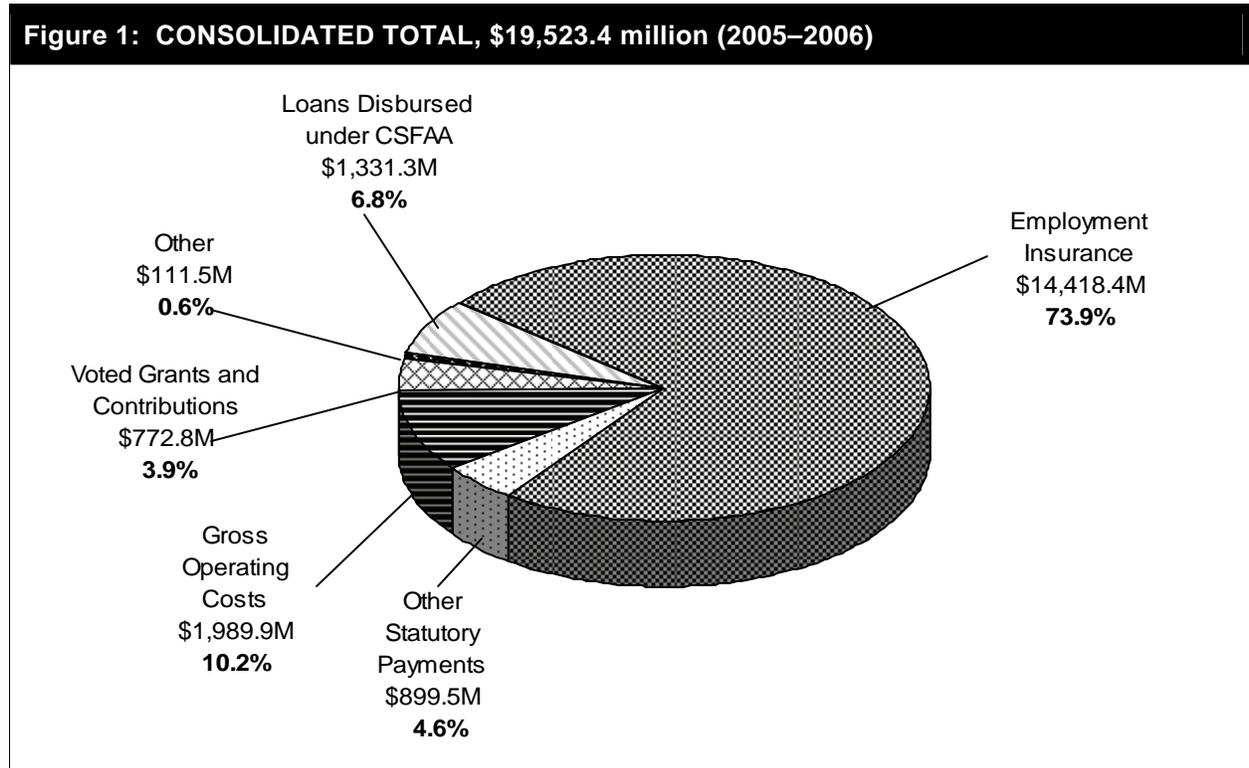
The *Department of Social Development Canada Act* defines the powers, duties and functions of the Minister of Social Development Canada (SDC). The mandate of SDC is to promote social well-being and security. In exercising the power and performing the duties and functions assigned by this Act, the Minister is responsible for the administration of the *Canada Pension Plan*, the *Old Age Security Act*, and the *National Council of Welfare*.

Service Canada operates within the legislative mandate and framework of the current departmental legislation (*Department of Human Resources and Skills Development Act* and the *Department of Social Development Act*). Its mandate is to work in collaboration with federal departments, other levels of government and community service providers to bring programs and services together in a single service delivery network. Although Service Canada does not exist as a distinct legal entity, it has delegated authorities to execute its mandate and functions.

EXPENDITURE PROFILE

HUMAN RESOURCES AND SKILLS DEVELOPMENT CANADA

HRSDC expenditures on programs and services totalled more than \$19 billion, of which \$17 billion or almost 86% were direct benefits to Canadians through Employment Insurance, Loans disbursed under the *Canada Student Financial Assistance Act* and other statutory transfer payments



HRSDC's organizational structure for 2005-2006 can be found in the supplementary information section on page 114.

Table 1: HRSDC's GROSS EXPENDITURE (2005-2006)

(in millions of dollars)

Budgetary

Net Operating Costs	589.3 ^b	
Add Recoveries in relation to:		
Employment Insurance Account	1,311.0	
Workers' Compensation	76.6	
Canada Pension Plan	13.0 ^a	
	Sub-total	1,400.6
		1,400.6
Gross Operating Costs		1,989.9
Voted Grants and Contributions		772.8
Total Gross Expenditures		2,762.7

Others

EI Administrative Costs (OGD)	132.4	
Doubtful Accounts	55.7	
	Sub-total	188.1
		188.1
Workers' Compensation Recoveries		(76.6)
Total Others		111.5

Non-Budgetary

Loans disbursed under <i>Canada Student</i> <i>Financial Assistance Act</i> (CSFAA)		1,331.3
Total Non-Budgetary		1,331.3

Statutory Transfer Payments

Grants and Contributions:		
Other Statutory Payments:		
Canada Student Loans	383.4	
Canada Learning Bond	2.2	
Canada Education Savings Grant	462.5	
	Sub-total	848.1
		848.1
Employment Insurance benefits		
Part I	12,402.0	
Part II	2,016.4	
	Sub-total	14,418.4
		14,418.4
Other Specified Purpose Accounts		51.4 ^c
Total Statutory Transfer Payments		15,317.9

Consolidated Total		19,523.4
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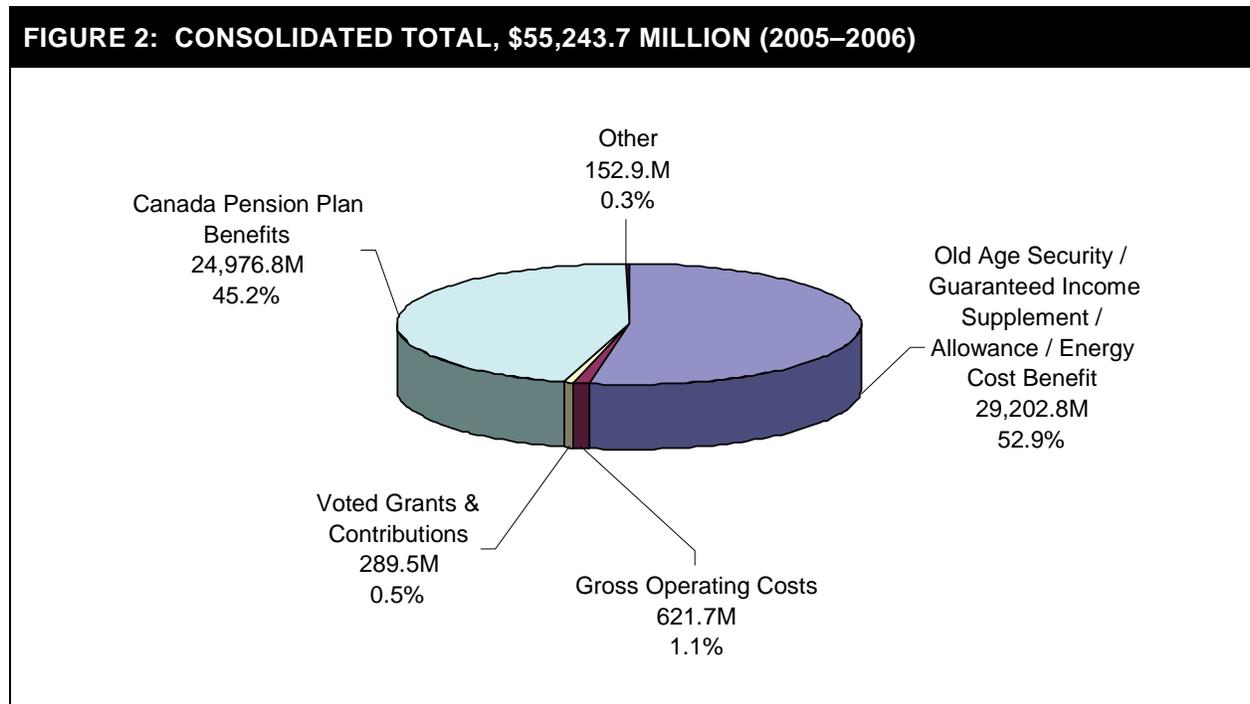
^a The Canada Pension Plan (CPP) is under the portfolio of Social Development Canada (SDC) but HRSDC recovered costs for services related to the CPP program.

^b Total operating cost include shared corporate services costs (Financial and administrative services, Human Resources, Legal and Information Technology) that were provided by SDC in 2005-2006.

^c This amount includes payments related to Government Annuities Account and Civil Service Insurance Fund.

Social Development Canada

SDC expenditures on programs and services totalled \$55.2 billion, of which 98%, or \$54.2 billion, directly benefited Canadians through the Canada Pension Plan (CPP) and the Old Age Security (OAS) programs.



SDC's organizational structure for 2005-2006 can be found in the supplementary information section on page 152.

TABLE 2: SDC'S GROSS EXPENDITURE (2005-2006)

(in millions of dollars)

Budgetary		
Net Operating Costs		326.7
Add Recoveries in relation to:		
Canada Pension Plan	228.4	
Employment Insurance Account	66.6 ^a	
	Sub-total	295.0
Gross Operating Costs		621.7
Voted Grants and Contributions		289.5
Total Gross Expenditures		911.2
Others - CPP Charges and Recoveries		152.9^b
Statutory Transfer Payments		
Old Age Security	22,043.7	
Guaranteed Income Supplement	6,476.5	
Allowance Payments	472.1	
Energy Cost Benefit	210.5	
	Sub-total	29,202.8
Canada Pension Plan Benefits		24,976.8
Total Statutory Transfer Payments		54,179.6
Consolidated Total		55,243.7

^a The Employment Insurance (EI) Account is under the portfolio of Human Resources and Skills Development Canada (HRSDC) but SDC recovers costs for services provided to the EI program such as corporate services and service delivery.

^b Represents the CPP administrative charges from other government departments and excludes the SDC CPP administrative charges reflected as part of operating costs.

SOCIO-ECONOMIC YEAR IN REVIEW

This section provides an overview of the socio-economic context for Fiscal Year 2005-2006 including broad macroeconomic and social indicators. The Canadian economy performed well in 2005. This performance extended to the labour market as employment rose during the year, mostly full time jobs, while the unemployment rate declined to its lowest level in nearly three decades. After-tax family income also increased and low-income rates declined. However, the increase in after-tax income was not shared by all family types, resulting in growing income inequality.

Robust but stable economic growth, stable prices and a strong dollar

In 2005, the economy grew by 2.9 percent, the same rate as in 2004. In contrast, the US economy grew by 3.5 percent during the same time period. Strong growth in consumer demand and investment fuelled economic growth in 2005, as the trade surplus fell for the fourth consecutive year.¹

Economic developments in Canada were again heavily influenced by globalization – notably the integration of China, India and other countries of Asia into the world economy. The Canadian dollar appreciated by approximately 5 percent between 2004 and 2005, fuelled in part by rising commodity and energy prices. It rose from 82.1 US cents in December 2004 to 86.1 US cents in December 2005.²

Consumer price inflation remained relatively low in 2005, despite a 10 percent surge in energy prices. The increase in the Consumer Price Index (CPI) rose from 1.9 percent in 2004 to 2.2 percent in 2005, while the implicit price index for personal expenditure (a slightly broader measure) registered a 1.6 percent increase.³ The restraint in prices originated in lower prices for goods with large import content due to the rising Canadian dollar and low cost imports from Asia which drove down the cost of goods such as clothing, household appliances and electronics. The moderate price response in Canada kept Canadian interest rates from rising as much as in the US where the Federal Reserve raised short-term rates two full percentage points, over twice as much as Canada.

Slight gains in labour productivity growth, but still lagging behind the United States

In 2005, labour productivity (real Gross Domestic Product per hour worked) in the Canadian business sector rose for the first time in three years, up by 2.3 percent from 2004, the strongest annual productivity performance since 2000. This was due to a steady rise in economic activity and a slowdown in hours worked (0.6 percent for 2005). This was the same as the growth for the year in the United States, its slowest gain since 2001.⁴ As a result, the Canada-US productivity growth gap remained unchanged for 2005.

The employment rate still at record level boosted by continued job growth

Employment grew in 2005, increasing by 1.4 percent (223,000 jobs), less than the rate of 1.8 percent recorded in 2004. The gains in employment were predominantly in full-time work which grew by 208,000 jobs. Part-time employment increased by 0.5 percent, adding 15,000 jobs.

As well, the proportion of the working age population holding a job was at an all time high of 62.7 percent in 2005, the same rate as in 2004. Employment increased for both men and women in 2005, with women enjoying stronger job growth. The employment rate of women in 2005 held steady at the record high level it achieved in 2004 of 57.8 percent, after increasing for eight straight years. The unemployment rate fell to

¹ Human Resources and Social Development, Annual Overview: Canadian Economic and Labour Market Trends, April 2006.

² Bank of Canada website, <http://www.bankofcanada.ca/en/rates/exchange-avg.html>

³ Phillip Cross. "The Year in Review: The Revenge of the Old Economy," Canadian Economic Observer, April 2006, Statistics Canada – Catalogue No. 11-010.

⁴ Statistics Canada. The Daily, September 13, 2006. <http://www.statcan.ca/Daily/English/060913/td060913.htm>

6.5 percent by the end of 2005, the result of moderate gains in employment and a decline in labour force participants. For 2005, the unemployment rate averaged 6.8 percent, down from 7.2 percent in 2004.⁵

Rising family incomes and declining low-income rates

Median after-tax income rose for most Canadian families in 2004 as strong economic growth fostered gains in employment which in turn boosted market income. Canadian families with two or more people had an estimated median income after taxes of \$54,100, up about 2 percent from 2003 in real terms after adjusting for inflation⁶.

However, median after-tax income was much lower for some family types notably seniors and unattached individuals. Among senior or elderly families (those in which the main income earner was aged 65 and over), median after-tax income was \$38,500. For unattached individuals it was \$21,300 and among female lone-parent families it was \$27,700.

In 2004, about 3.5 million people were in low income, as measured by the Low-Income Cutoff (LICO). They accounted for 11.2 percent of all Canadians in 2004, well below the peak of 15.7 percent in 1996. Among families, the proportion living in low income after taxes declined to 7.8 percent in 2004 from 8.5 percent in 2003 and a high of 12.1 percent in 1996. This means that, 684,000 families were below LICO in 2004 and faced an income gap of \$7,200. This represents the amount of income they required to bring their income above the cutoff. Low-income rates were highest among lone parent families headed by women in 2004, 36 percent of whom lived in low income compared with 53 percent in 1996. This reduction was partly the result of an increase in the number of single mothers with earned income. The low-income rate among seniors hit an all time low of 5.6 percent in 2004, down from 6.8 percent in 2003.⁷

... but wider gap between the lowest- and the highest-income families

From 1996 to 2004, the average after-tax income gap widened between the lowest and highest income families. The income gap between the top and bottom 20 percent of the population increased from \$82,500 in 1996 to \$99,000 in 2003 and to \$102,700 in 2004. By 2004, the average after-tax income was \$125,000 for the top 20 percent of the population and \$22,300 for the lowest. Though all income levels benefited from the positive economic conditions that have prevailed since the early 1990s, families in the top 20 percent of the population gained the most. This group saw a 23 percent increase in their after-tax income, while the bottom 20 percent of the population saw a 17 percent increase and the three middle groups each saw increases of about 15 percent since 1996. Inequality in after-tax income widened for non-senior families, but fell for senior families.⁸

⁵ Statistics Canada, "The Canadian Labour Market at a Glance, 2005". Catalogue No. 71-222, <http://www.statcan.ca/english/freepub/71-222-XIE/71-222-XIE2006001.htm>

⁶ Median is the point at which half of families had higher income and half less

⁷ Statistics Canada, The Daily, March 30, 2006, <http://www.statcan.ca/Daily/English/060330/td060330.htm>

⁸ Statistics Canada, "Income in Canada, 2004", Catalogue No. 75-202, <http://www.statcan.ca/english/freepub/75-202-XIE/75-202-XIE2004000.htm>

Summary of Departmental Performance by Strategic Outcome

This section summarizes achievements of HRSDC and SDC by strategic outcome and provides a report card on the performance of HRSDC and SDC programs against the indicators and objectives outlined in the 2005-2006 Reports on Plans and Priorities. For those program indicators where the specific 2005-2006 objectives were not met, a page number is provided referring the reader to a discussion of the results.

The following is a summary of achievements and program indicator performance for each strategic outcome. Table 3A summarizing HRSDC program indicators, follows the text below.

Summary of HRSDC Departmental Program Performance by Strategic Outcome

Efficient and inclusive labour market transitions through temporary income support and active employment measures

During 2005-2006, the Department concluded a Labour Market Development Agreement with the Province of Ontario for implementation in January 2007; work continued on improving Aboriginal labour market participation by addressing skills shortages through developing partnerships between Aboriginal groups, private industry and provincial and territorial governments; a new rate setting mechanism for Employment Insurance premiums was implemented beginning with the 2006 premium rate, the Quebec Parental Insurance Plan came into effect, and Employment Insurance pilot projects targeting workers in regions of high unemployment were implemented. Specific Employment Insurance targets related to the number of clients participating in employment programs and finding employment or returning to school were not met. These results need to be considered in the context of low unemployment rates where Canadians who are more employable find work more quickly. Employment programs have been serving fewer clients, but who face more employability barriers requiring more complex interventions and consequently with fewer clients returning to work or to school. These outcomes are consistent with serving clients with more and more difficult problems. They demonstrate that the department is adjusting its activity to changing labour markets and serving those facing difficulty in the labour market.

Enhanced productivity and competitiveness of Canadian workplaces by supporting investment in and recognition and utilization of skills

HRSDC continued the ongoing implementation of the Workplace Skills Strategy; launched the Workplace Skills Initiative that will test and evaluate innovative approaches to skills development for employed Canadians; launched the Workplace Partners Panel consisting of labour and business leaders to encourage them to provide and invest in workplace skills strategies; initiated the Training Centre Infrastructure Fund; continued to support the work of Sector Councils including the creation of three new Sector Councils; facilitated the assessment and recognition of foreign qualifications through the Foreign Credential Recognition program; and through the Foreign Worker Program, provided labour market opinions and arranged employment opinions to employers. Performance indicator results were positive, either exceeding or coming within 95% of the objective, except for the number of job seekers using the Job Bank. Because the Canadian economy has been performing well, as outlined earlier in this document, this may have reduced the number of job seekers accessing the Job Bank.

Through access to learning, Canadians can participate fully in a knowledge-based economy and society

HRSDC has accomplished all the plans set forth under this strategic outcome in the 2005-2006 Report on Plans and Priorities. The Adult Learning, Literacy and Essential Skills Program, which integrates three programs into one, was approved by Treasury Board on March 23, 2006 for implementation April 1, 2006. This initiative will reduce non-financial barriers to learning and facilitate the creation of opportunities for Canadians to acquire learning, literacy and essential skills. We implemented enhancements to the Canada Student Loans Program (CSLP); enhanced the Canada Education Savings Grant (CESG) for low and middle-income families; introduced the new Canada Learning Bond (CLB) for low-income families, and introduced Canada Access Grants for students from low-income families and for students with permanent disabilities. These changes will, over time, enhance access to post-secondary education (PSE) for current and future students.

The time required to see the impact of the CSLP and CESP changes is affected by a number of influences. The current strength of the labour market combined with lack of awareness of the long-term benefits of PSE has resulted in an increased labour market participation rate for 15-24 year olds and a lower than expected uptake of the CSL Program and volume of requests for payments from Registered Education Savings Plans (RESP). In addition, although the *Canada Education Savings Act* Regulations to implement the enhancements to CESG and the new CLB came into force in July 2005, the RESP promoters that deliver the grants required about one year to update their systems to administer them. This impacted the uptake in 2005-2006, but with the increased availability of the new savings incentives as more promoters offer these products, the department is seeing a considerable increase in uptake in 2006-2007. In fact, there were more CLB payments in August 2006 than in all 2005. The department is also expanding its awareness initiatives with two promotional mail-outs in the spring of 2006. We expect that the full impact of the changes will start to become more evident in 2006-2007.

Safe, healthy, fair, stable, cooperative and productive workplaces

The *Wage Earner Protection Program Act* received Royal Assent; new Hazard Prevention Program Regulations were published in the Canada Gazette Part II; an Interim Report was presented by the Commissioner conducting the review of Part III (Labour Standards) of the Canada Labour Code, and collaborative work continued among federal, provincial and territorial levels affirming commitment to promoting safe and healthy workplaces. Results surpassed expectations for two of the three indicators and came within 95% of the objective for the third indicator.

Enhanced community capacity to contribute to the reduction of homelessness

In addition to activities aimed at identifying solutions to address chronic homelessness, the Department supported the identification of best practices and information sharing; collaborated with Canada Mortgage and Housing Corporation and Indian and Northern Affairs Canada in developing a transformative approach to Aboriginal housing; and undertook Action for Neighbourhood Change, an action research project that brought together three federal departments with four national non-governmental organizations and local communities in a new way of doing business in coordinating and administering funding and simplifying reporting while maintaining accountability. Objectives were achieved or exceeded for all three performance indicators.

Seamless, integrated and multi-channel service delivery that ensures client satisfaction

The Service Canada, a major initiative to improve service delivery to citizens, was formally launched and delivered an increasing number of services on behalf of numerous federal departments and agencies. The Service Canada initiative also developed a new client service model to improve the in-person experience for Canadians, created an Office for Client Satisfaction to receive the views of Canadians on quality of service and recommend improvements and developed a mechanism for clients to provide their feedback. Work continued on strengthening the Department's performance measurement framework including the review and revision of indicators, and improvements were made in the development of risk information to inform the planning cycle and decision-making. Objectives were met or exceeded for three indicators, while achievement was within 95% for three and fell short for two others.

Program indicators are among several sources used for evaluating departmental performance. Program evaluations and audits and the Employment Insurance Monitoring and Assessment Report are also tools to provide a comprehensive understanding of performance.

Note to Reader:

The Department's Performance Scorecard below reflects varying levels of progress in performance measurement that existed in the two former departments of Human Resources and Skills Development Canada (HRSDC) and Social Development Canada (SDC) at the time of their integration.

The former HRSDC concentrated its efforts on refining indicators at the Strategic Outcome and program level, while SDC focused attention on service delivery indicators that are now the responsibility of Service Canada. In both departments, there was recognition of the need for further improvement in performance measurement.

Consistent with a robust performance measurement program, and previous commitments by both departments to improve indicators, efforts are underway to develop a more integrated performance measurement framework that reflects the mission and strategic outcomes of the new Department. This is an evolutionary process that is expected to result in strengthened performance measurement that, over time, will facilitate improved target setting, performance monitoring and more balanced reporting results across the new Department.

TABLE 3A: SUMMARY OF PROGRAM PERFORMANCE BY STRATEGIC OUTCOME

Legend

✓✓✓ Exceeded expectations ✓✓ Objective achieved ✓ Within 95% of objective X Objective not achieved N/A Not available

Efficient and inclusive labour market transitions through temporary income support and active employment measures

DESCRIPTIVE INDICATORS

Targets were not established for the following indicators as they are descriptive indicators of program activity for which performance objectives are not appropriate.

Access

Percentage of unemployed targeted by the Employment Insurance program eligible to collect regular Employment Insurance benefits. 80.4% (2004 result)

Rate of Participation of Designated Groups and Older Workers in Employment Benefits and Support Measures (EBSM):

- Women 50% (2005)
- Persons with disabilities 4.6% (2005)

Unemployed by designated group as a percentage of the unemployed Canadian Labour Force (Source: 2001 Census)

- Aboriginal persons 7.2% (2005)
- Visible minorities 6.8% (2005)
- Older workers (over 55) 6% (2005)

Women:	45.5%
People with Disabilities:	9.8%
Aboriginal persons:	6.5%
Visible Minorities:	6.2%
Older Workers: (55 and over)	17.3%

Adequacy

Proportion of regular entitlement collected by Employment Insurance claimants (%). 60.9% (2003/04)

Proportion of Employment Insurance maternity/parental entitlement collected by Employment Insurance claimants. 92.0% (2004/05)

TABLE 3A: SUMMARY OF PROGRAM PERFORMANCE BY STRATEGIC OUTCOME (continued)

Labour market efficiency

Level of household consumption one year after Employment Insurance benefit.
(Consumption over a four week period)

\$2,365

Duration of employment for clients participating in Employment Benefits and Support Measures (EBSM) or similar provincial/territorial programs under Labour Market Development Agreements (LMDA).

With EBSMs being delivered under various LMDA arrangements in very different labour markets across the country, and with individual summative evaluations differing in reference periods, broad generalizations of the results across jurisdictions are difficult. In this context, it is observed that EBSMs appear to yield some modest positive net impacts on employment duration of participants, depending on the program, client type and jurisdiction.

Detailed results can be found in the Employment Insurance Monitoring and Assessment Report 2005 (see Chapter 5 page 89 of Report). Please refer to the following URL for evaluation findings and tables.

http://www.sdc.gc.ca/en/ei/reports/eimar_2005.pdf

Earnings for clients participating in EBSM or similar provincial/territorial programs under LMDA.

With EBSMs being delivered under various LMDA arrangements in very different labour markets across the country, and with individual summative evaluations differing in reference periods, broad generalizations of the results across jurisdictions are difficult. In this context, EBSMs appear to yield some modest positive net impacts on earnings of participants, depending on the program, client type and jurisdiction.

Detailed results can be found in the Employment Insurance Monitoring and Assessment Report 2005 (see Chapter 5 page 89 of Report). Please refer to the following URL for evaluation findings and tables

http://www.sdc.gc.ca/en/ei/reports/eimar_2005.pdf

RATING	PROGRAM INDICATORS	OBJECTIVE (O) RESULT (R)
x	Number of youth clients who return to school following an employment program intervention (Youth Employment Strategy).	O: 2,000 R: 1,417 The objective for this indicator is based on previous years' experience and lags changes in the labour market. With low rates of unemployment youth may choose to accept employment as an alternative to returning to school.
x	Number of Aboriginal clients who return to school following an employment program intervention (Aboriginal Human Resources Development Agreements).	O: 8,000 R: 5,691 The objective for this indicator is set for the life of the Strategy and lags changes in the labour market. With low rates of unemployment, Aboriginal youth may choose to accept employment as an alternative to returning to school.

TABLE 3A: SUMMARY OF PROGRAM PERFORMANCE BY STRATEGIC OUTCOME (continued)

x	<p>Number of clients employed or self-employed following an employment program intervention, and as a proportion of client action plans closed.</p>	<p>O: Clients employed 260,000 R: 219,733 Proportion: 56.25%</p> <p>The 2005-2006 objective is established based on preliminary national projections based on historical client and program data and was established in March of 2005. Subsequent regional / provincial targets were confirmed with a final national objective set in August 2005, of 236,973. Compared to that objective, the 219,733 clients employed following an intervention result represents a 93% achievement of the target.</p> <p>The objective for this indicator is based on previous years' experience and lags changes in the labour market. The labour market has evolved in the context of lower unemployment rates. Employment programs are serving fewer, more disadvantaged clients and consequently a smaller number are employed or self employed after their participation.</p>
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Enhanced productivity and competitiveness of Canadian workplaces by supporting investment in and recognition and utilization of skills

RATING	PROGRAM INDICATORS	OBJECTIVE (O) RESULT (R)
✓	Percentage of labour market represented by an exemplary sector council.	O: 50% R: 49.5%
✓	Percentage of occupations that have an essential skills profile developed.	O: 57% R: 55.9%
✓✓✓	Number of trades people who receive Red Seal endorsement.	O: 13,000 R: 17,701 (2005)
x	Number of job seekers and jobs in Job Bank.	O: Increase by 5% R: Job seekers 1.6% Because the Canadian economy has been performing well, as outlined earlier in this document, this may have reduced the number of job seekers accessing the Job Bank.
✓✓✓		R: Jobs in Job Bank increased by 29%

TABLE 3A: SUMMARY OF PROGRAM PERFORMANCE BY STRATEGIC OUTCOME (continued)**Through access to learning, Canadians can participate fully in a knowledge-based economy and society**

RATING	PROGRAM INDICATORS	OBJECTIVE (O) RESULT (R)
x	Percentage of post-secondary education students with a Canada Student Loan or Study Grant.	<p>O: 45% for loan year 2005-2006 R: Approximately 42% for loan year 2005-2006 (August 2005 to July 2006)</p> <p>There are no specific targets or objectives, only forecasts, for the number of loans and grants awarded as these are based on client eligibility and demonstrated need.</p>
N/A	3-year loan default rate.	<p>O: 26% (for 2005-2006 graduates) R: On track to meet targeted 3-year result, actual will be available in 2008-2009.</p> <p>This rate tracks the default rate of loans in the first three years after consolidation. This is a new performance indicator, first introduced in RPP 2005-2006. Performance targets were not set before 2005-2006, but actual performance has improved dramatically since the beginning of the Direct Lending Regime from 37.7% for the 2001-2002 cohort to 30.9% for the 2003-2004 cohort.). Our key leading performance indicators suggest that we are on track to meet the 26% target for 2005-2006 cohort.</p>
x	Number of Canadians attending PSE in the current fiscal year and who have ever received a Canada Education Savings Grant (CESG).	<p>O: 165,000 R: 155,000</p> <p>The forecast of 165,000 was based on observed trends of requests for payments from Registered Education Savings Plans (RESPs) from 1999 to 2004. In the past year there has been an increased number of youth entering the work force and fewer attending post-secondary education. This year's result represents a one-year increase of 23% over the 126,000 children who attended post-secondary education with the help of the CESG in 2004-2005.)</p>
x	Percentage of Canadians under 18 years of age who have ever received a Canada Education Savings Grant (CESG).	<p>O: 36% R: 33%</p> <p>The 36 percent forecast was based on an anticipated increased uptake from the implementation of the enhanced CESG. However, availability of the enhanced CESG was delayed until the coming into force of the <i>Canada Education Savings Act</i> mid-year, and the ensuing development of the required delivery systems by financial institutions which offer RESPs. This year's result does represent growth of 10% over last year's participation rate, which was 30%.</p>
N/A	Percentage of children eligible for the Canada Learning Bond who have a Registered Education Savings Plan.	<p>O: 22% R: Results will be available in 2006-2007.</p>

TABLE 3A: SUMMARY OF PROGRAM PERFORMANCE BY STRATEGIC OUTCOME (continued)**Safe, healthy, fair, stable, cooperative and productive workplaces**

RATING	PROGRAM INDICATORS	OBJECTIVE (O) RESULT (R)
✓✓✓	Percentage of collective bargaining disputes settled under Part I (Industrial Relations) of the Canada Labour Code without work stoppage.	O: To settle 90% of all collective bargaining disputes without a work stoppage R: 96.9%
✓	Percentage of unjust dismissal complaints settled by inspectors (Part III of the Canada Labour Code).	O: 75% R: 74%
✓✓✓	Disabling Injury Incidence Rate (DIIR) measuring the change in the rate of time-loss injuries, illnesses and fatalities within federal jurisdiction industries from year to year.	O: Reduce the disabling injury incidence rate by 10% over five years (by 2008-09) in those high-risk industries where we are targeting proactive interventions R: Percentage decrease in DIIR from 2001 to 2004: High priority industries reduced by 19.97%

Enhanced community capacity to contribute to the reduction of homelessness

RATING	PROGRAM INDICATORS	OBJECTIVE (O) RESULT (R)
✓✓✓	Percentage of investments directed toward the continuum of supports and services based on priorities established by the community.	O: At least 75% invested in community priorities R: 100%
✓✓✓	Ratio of total NHI investments versus funding by type of partners for each province and territory 2003–2006.	O: 1 to 1.5 R: 1 to 1.79
✓✓	Increase in accessible sources of information/data on homelessness.	O: Evidence of uptake of data/information R: Increased visits to website

Seamless, integrated and multi-channel service delivery that ensures client satisfaction

RATING	PROGRAM INDICATORS	OBJECTIVE (O) RESULT (R)
Employment Insurance		
X	Percentage of initial and renewal claims finalized within 21 days from date of filing and 21 days of registration of revised claims.	O: 85% R: 73.4% Meeting this internally driven indicator was prevented by unanticipated challenges with workloads. A more relevant indicator of delivering results to citizens is measured through Speed of Payment indicator (see below) which was surpassed in 2005-2006.
✓✓✓	Percentage of initial and renewal claims for which a payment or a non-payment notification is given to the claimant within 28 days from date of filing.	O: 80% R: 80.9%

TABLE 3A: SUMMARY OF PROGRAM PERFORMANCE BY STRATEGIC OUTCOME (continued)
Seamless, integrated and multi-channel service delivery that ensures client satisfaction

RATING	PROGRAM INDICATORS	OBJECTIVE (O) RESULT (R)
✓	Percentage of appeals scheduled to be heard by the Board of Referees within 30 days of receipt of the appeal.	O: 90% R: 89.5%
✓	Percentage of client appeal dockets received at the office of the Umpire within 60 days from date of appeal filing (date of receipt).	O: 100% R: 99.2%
✓✓	Percentage of accurate Employment insurance payments as measured by the Comprehensive Tracking System calculated on a 12 month moving average nationally.	O: 95% R: 95%
✓	Percentage of validations of the Social Insurance Number of Employment Insurance applicants with the Social Insurance Registry.	O: 100% R: 98.4%
✓✓✓	Savings from Employment Insurance detection activities.	O: \$210 M R: \$250.6 M
Employment Programs		
X	Number of employment programs clients served.	O: 482,400 R: 441,239 ⁹ A decrease in the unemployment rate resulted in a decrease of the number of active claimants receiving assistance.

Learning

Targets were not established for the following indicators. Results information is provided where available.

Client satisfaction with the overall quality of services provided by the Canada Student Loans Program	75%
Client (Registered Education Savings Plan Providers) satisfaction with the overall quality of services provided by the Canada Education Savings Program.	Survey was not conducted due to changes arising from implementation of enhancements to Canada Education Savings Grant and launch of the Canada Learning Bond in July 2005. Satisfaction survey of promoters will be conducted in 2006-2007. Survey results to be reported in 2006-2007.

Workplace Skills

Client satisfaction with labour market information products and services – usefulness in conducting a job search	79%
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⁹ There were an additional 51,728 Summer Career Placements participants served (number not included because it was obtained through a different methodology).

Summary of SDC Departmental Program Performance by Strategic Outcome

A Canada where the quality of life and inclusion for Seniors is enhanced and poverty alleviated through sustainable public pensions, benefits and supports

The year saw the successful implementation of the first half of the Guaranteed Income Supplement; introduction of the Energy Relief Benefit for Guaranteed Income Supplement recipients; creation of the National Seniors Secretariat; continued work on international social security agreements with foreign governments, and the development of strategies to increase awareness among seniors regarding eligibility for CPP and OAS benefits.

A Canada where the social and economic participation of Persons with Disabilities is enhanced

Work progressed on the development of a disability agenda in partnership with other jurisdictions including providing support to the UN Convention on Persons with Disabilities, implementation of new supports to assist disability beneficiaries to return to regular employment, and completed pilot testing of a new disability application process.

A Canada where vibrant and inclusive communities meet the social development needs of Canadians

The Department focussed on strengthening the non-profit sector and non-profit organizations to promote partnerships and collaboration for people with disabilities, children and families, and seniors through: expansion of the New Horizons for Seniors Program and the Understanding the Early Years Initiative (UEY); the approval of the Voluntary Sector Strategy (VSS); establishment of a network of federal partners focussed on community issues, and the launch of the Task Force on Community Investments (TFCI).

A Canada where the capacities of Individuals, Children, Families and Communities are strengthened in order to promote social inclusion, participation and well-being

Canada's Universal Child Care Plan was introduced which allows parents choice in care for their children (through an annual benefit of \$1,200 for each child under six years of age) and respects the responsibilities of provincial and territorial governments with regard to childcare services. Ongoing policy work relating to childcare resulted in an increase of \$185 per child under the National Child Care Benefit Supplement for Low-Income families.

A Canada where service delivery is focussed on citizen needs

Social Development Canada delivered services in support of its programs as well as those of Human Resources and Skills Development Canada. SDC was a major partner in the development of enhanced methods of service delivery through the establishment of the Service Canada Initiative. The Department enhanced its capability of serving Canadians through: simplification and redesign of forms for persons with disabilities and the development of a guide; the publication of a guide for seniors, and the increased availability of more services for seniors on-line.

Program indicators are among several sources used for evaluating departmental performance. Program evaluations and audits are also tools to provide a comprehensive understanding of performance. Overall, targets were effectively met or exceeded for the *speed of service* delivery indicators. The only exception was the service standard for responding to EI calls.

TABLE 3B: SUMMARY OF PROGRAM PERFORMANCE BY STRATEGIC OUTCOME

Legend

✓✓✓ Exceeded expectations	✓✓ Objective achieved	✓ Within 95% of objective	X Objective not achieved	N/A Not available
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Social Development Canada indicators

RATING	PROGRAM INDICATORS	OBJECTIVE (O) RESULT (R)
Speed of Service		
✓	Percentage of all CPP Disability initial application decisions made within 120 calendar days of receipt of completed application	O: 75% R: 71%
✓	Percentage of all CPP Disability reconsideration decisions made within 120 calendar days of receipt	O: 70% R: 69%
✓✓✓	Percentage of OAS benefits paid within the first month of entitlement	O: 90% R: 94%
✓✓✓	Percentage of CPP retirement benefits paid within the first month of entitlement	O: 85% R: 91%
✓ X	Percentage of callers answered by a service delivery agent within three minutes	O: 95% R: OAS AND CPP: 93% R: EI: 58% EI call centres agents responded to 6.4 million calls, 58% within the target of 180 seconds. New service offerings and service enhancements contributed to an increase of 21 seconds per call which resulted in capacity and access issues.
N/A	Timely production of payment files in support of all payments to Canadians	O: 95% R: Not measured in 2005-2006
N/A	Availability of automated service channels to Canadians* *(Now called 24/7 availability of Service Canada Internet site: to appear in 2006-2007 RPP)	O: 94% R: Not measured in 2005-2006

The indicators below pertain to human resources and official languages in HRSDC and SDC. Indicators related to internal human resources services show that both departments continued to meet or exceeded three out of four targets for representation of designated groups. It did not meet the target for visible minorities. The Department is implementing changes to ensure progress in the area of diversity. An example is the "Embracing Change" initiative which uses a targeted competitive process for executive positions.

HUMAN RESOURCE AND OFFICIAL LANGUAGE INDICATORS

RATING	PROGRAM INDICATORS	OBJECTIVE (O) RESULT (R)
Representative Workforce indicators for HRSDC and SDC*		
✓✓✓	Aboriginal Representation	O: 2.1% R: 3.3%
✓✓✓	Persons with Disabilities Representation	O: 3.4% R: 5.7%
✓✓✓	Women Representation	O: 57.8% R: 65.1%
x	Visible Minority Representation	O: 9.0% R: 8.3%
Representative Workforce indicators for Service Canada		
✓✓✓	Aboriginal Representation	O: 3.2% R: 3.5%
✓✓✓	Persons with Disabilities Representation	O: 3.6% R: 7.8%
✓✓✓	Women Representation	O: 60.2% R: 71.7%
x	Visible Minority Representation	O: 9.6% R: 8.4%
Service Quality **		
	Official language complaints regarding service to the public **	Number: 24
	Official language complaints regarding language of work **	Number: 2

* The objectives for these indicators are based on estimates of workforce availability.

** The data includes complaints received for HRSDC, SDC, and Service Canada.

Summary of Service Canada Performance

In developing a plan to transform service delivery to Canadians, Service Canada identified five essential objectives:

- deliver seamless, citizen-centred service;
- enhance the integrity of programs;
- work as a collaborative and networked government;
- ensure accountable and responsible government; and
- build a service excellence culture.

Additional details on Service Canada's performance results will be available in the 2005-2006 Service Canada Annual Report.

DELIVER SEAMLESS, CITIZEN-CENTRED SERVICE

An immediate set of priorities for Service Canada was to move towards a one-stop service experience for Canadians that would provide consistent, high-quality service across all channels of service delivery and respond to service delivery issues that Canadians had identified.

Expanding Services and Bringing Them Closer to More Canadians

Service Canada developed and began to implement a national plan to meet its commitment to provide 90% of Canadians with access to Service Canada services within 50 kilometres of where they live. Under this plan, Service Canada expanded the number of points of service from 320 to 416. Most of these new points of service involve staff from main Service Canada Centres providing service in outreach sites in community and municipal government centres where people already go to obtain other services, some through community partners.

Service Canada Centres had consistent office hours (8:30 to 4:00, Monday to Friday) with extended office hours in several locations. Service Canada also began establishing a consistent set-up for its points of service that is welcoming and effective for service delivery. In addition to offering service in both official languages - English and French - Service Canada introduced trial services for people who speak Cantonese, Punjabi and Mandarin at sites in the Vancouver area.

To reflect the success of previous efforts to provide federal services over the internet such as job listings and Employment Insurance applications, Service Canada introduced new services. For example, people who received Employment Insurance benefits were able to print their T4U income tax slips directly from their computers at home or elsewhere in their communities. Canadians were also able to see a record of their earnings and contributions to the Canada Pension Plan, as well as estimates for any Canada Pension Plan benefits that they may be eligible to receive. The websites for the Government of Canada and Service Canada were updated.

Service Canada receives 56 million calls on an annual basis, which accounts for 80 percent of telephone calls from the public to the Government of Canada (other than calls to the Canada Revenue Agency and Canada Post). As a first step towards improved telephone service performance, Service Canada integrated the management of the 1 800 O-Canada telephone service with the services of call centres for specific programs such as Canada Pension Plan, Old Age Security and Employment Insurance.

Across all four channels for service delivery (in-person, telephone, internet, mail), Service Canada established plans to bring about more standardized program delivery, such as how benefit applications are processed, as well as new approaches to organizing information to ensure that employees, themselves, can provide the most accurate, consistent answers possible to questions from Canadians.

Responding to the Needs of Communities

A key to the Service Canada strategy is a commitment to identify how it can best meet the needs of specific communities of Canadians. The organization analyzed how members of particular groups were using services and established priorities for more responsive service improvements.

Responsive service improvements taken during 2005-2006 that responded to the needs of specific communities included delivery of specialized services to urban Aboriginal people and francophones in Manitoba. Service Canada also launched new services to improve accessibility for people with disabilities.

ENHANCE THE INTEGRITY OF PROGRAMS

As an organization that issues \$70 billion in benefits to Canadians annually, Canadians expect Service Canada to ensure that these benefits go to the right people, in the right amounts and for the purposes for which they were intended. Service Canada placed a strong emphasis on using risk management strategies to identify the optimal ways to improve the integrity of program operations, demonstrate sound stewardship of public funds and generate savings, some of which could be reinvested in additional service improvements.

At the same time, the organization addressed related issues in other parts of its work, such as building a stronger relationship with the voluntary sector. Service Canada and sector representatives worked together to find an appropriate balance for effective control of public funds that go to voluntary organizations through contribution agreements that support the delivery of programs at the community level and the management capacity of those organizations.

A Successful Three-pronged Approach

During 2005-2006, Service Canada implemented a three-pronged approach to improve program integrity that generated substantial savings. The first part of the approach was an integrity risk management strategy that reduced errors in Service Canada processing of benefit payments, ensured that people who should be paying Employment Insurance premiums were doing so and focused more efforts on ensuring that people were eligible for the benefits for which they had applied. The actions led to the achievement of more than \$292 million in total savings to taxpayers – well above the \$265 million target.

The second part of the approach was to improve the Social Insurance Number (SIN) system, which is becoming the primary tool for Service Canada to identify Canadians and deliver the most personalized service possible to them. Continuing success in ensuring a more accurate Social Insurance Register (SIR), which is the database supporting the SIN system, enabled Service Canada to begin to authenticate information supplied by Canadians for seven million transactions and to use data from the SIR rather than requiring Canadians to submit information multiple times. For example, people applying for Canada Pension Plan and Old Age Security benefits are no longer asked to provide their date of birth, since that information is drawn from the SIR. Collaboration with the Office of the Privacy Commissioner took place to ensure that current and planned Service Canada use of SIN information meets the privacy standards that Canadians expect.

To improve service to Canadians, Service Canada introduced a new "Social Insurance Number Rapid Access" pilot program in selected Service Canada Centres. This pilot allowed Canadians with all the necessary documents to apply for and receive a Social Insurance Number in one visit to a Service Canada Centre. Its success led to a decision to implement this service nationally.

The third part of the approach was to expand collaboration between Service Canada and officials responsible for vital events information in other federal departments and in provincial and territorial governments. The organization developed a national model that will simplify the vital events information that citizens provide to government such as birth and death. Under this model, information that provinces and territories collect when they register births, deaths and other vital events, as well as what Citizenship and Immigration Canada collects when people become permanent residents of Canada, would be shared with Service Canada to update the Social Insurance Registry automatically.

To implement this strategy, Service Canada collaborated closely with the Ontario government, including a new Ontario-Canada Newborn Registration Service which integrates the processes to register a child's birth, request a birth certificate and apply for a Social Insurance Number.

WORK AS A COLLABORATIVE AND NETWORKED GOVERNMENT

Service Canada recognizes that Canadians want convenient access to the programs and services from all departments of all governments.

Serving Canadians on Behalf of Federal Government Partners

While most of Service Canada's service delivery currently focuses on the federal government's largest benefit programs (i.e., Employment Insurance, Canada Pension Plan, Old Age Security), it has developed agreements to deliver services on behalf of a regularly-expanding number of federal partners, including:

- Passport Canada, which has already enabled 40,000 Canadians in 35 rural, remote and northern communities to get regular passports after submitting their applications for review and transmission at Service Canada Centres;
- Veterans Affairs Canada to enhance public access to information on services for veterans in Manitoba;
- Agriculture and Agri-Food Canada to provide information on the Canadian Agricultural Skills Service to farmers and their families in British Columbia, New Brunswick, Newfoundland and Labrador, Nova Scotia and Yukon;
- Canada Revenue Agency (CRA) through pilot projects in ten Service Canada Centres that offer direct telephone access to CRA; and
- Citizenship and Immigration Canada through information services on key programs being tested in two Service Canada Centres in Quebec.

Service Canada also successfully delivered the National Energy Cost Benefit to seniors by drawing on its delivery process for the Guaranteed Income Supplement.

Working with Provincial, Territorial and Municipal Governments and the Voluntary Sector

Efforts to build cooperation with provincial, territorial and municipal governments for service transformation have become a focal point of Service Canada strategies for collaborative, networked government service to Canadians. The work with provincial and territorial vital events officials is one aspect of that cooperation and is reinforced by the work of governments with their privacy officials to ensure that personal information is fully protected.

As part of Service Canada's commitment to integrate one-stop service centres for all levels of government, Service Canada, the Ontario government and the City of Ottawa opened the Government Service Centre in Ottawa, a one-stop service centre that is streamlined, cost effective and responsive to citizens' changing needs.

As noted above, Service Canada relies on contribution agreements with voluntary sector organizations to deliver specific services, such as employment support, to particular communities. The organization has acted to address voluntary sector concerns about the right balance between ensuring effective, efficient management and delivery of services by non-governmental organizations and establishing controls to guide the proper use of public funds. As part of this, Service Canada and voluntary sector representatives agreed on initiatives such as an Office of the Fairness Advisor to be implemented in 2006-2007. The Fairness Advisor is to give service delivery partner organizations a mechanism to voice their comments, complaints and suggestions for improvement of Service Canada processes related to the delivery of grants and contributions.

ENSURE ACCOUNTABLE AND RESPONSIBLE GOVERNMENT

As an organization committed to citizen-centred responsiveness and service excellence, Service Canada developed and began to implement a series of actions that set out its commitments to Canadians and followed through with accountability processes and measures.

A Set of Clear Commitments with Measurement Processes

A Service Charter was released in September 2005 to outline the service that Service Canada commits to providing to Canadians and make clear how Canadians can provide feedback on the quality of the service.

Service Standards established specific service commitments related to ensuring choice and access to services, a responsive attitude to citizens, the timeliness and effectiveness of service delivery, and processes enabling Canadians to comment on service.

A Performance Scorecard was created to tell Canadians how Service Canada performance compared to our Service Standards during 2005-2006.

A new Office for Client Satisfaction was established to provide a place for Canadians to turn to with issues that they want to raise when they have exhausted all other avenues at the local level. The Office accepted all forms of feedback, including suggestions, compliments and complaints in order to support service excellence. It also conducted surveys to obtain the views of Canadians on Service Canada and service issues that were used to generate an annual report for that Office with concrete recommendations to improve service delivery.

A Framework for Leadership on Service Excellence

Service Canada drew on best practices in other organizations to integrate a commitment to service excellence into the thinking and choices of its leaders at all levels.

A Service Canada Advisory Committee composed of leaders from the public, private and non-profit sectors was established to provide guidance for more citizen-centred choices and to guide the transformation of services to Canadians.

BUILD A SERVICE EXCELLENCE CULTURE

Service Canada employees want to provide the best service possible to Canadians and the new organization was developed with a commitment to enable them to do so. One aspect of this was the involvement of the unions as a partner representing employees in the planning and design of Service Canada. Other groups, such as the Managers' Community, that provide a voice for managers and executive-level employees were also engaged. Their contributions shaped the Service Culture Strategy that the organization is using to set and act on priorities in building a culture that constantly strives to deliver service excellence.

Training and tools are key elements in service excellence. Some 17,000 Service Canada staff received training on the new organization and how it would work, while longer-range plans are centering on making service delivery a defined and respected career path, supported by a comprehensive training package and the Service Canada College to be operated in collaboration with the Canada School of Public Service.

Corporate Risk

Three corporate risks were identified in 2005-2006. These risks were common to both departments and were specifically identified in the former Human Resources and Skills Development's 2005-06 Report on Plans and Priorities. A summary of the key strategies that both departments implemented are outlined below.

Risk 1: *Ability to maintain effective, efficient and consistent service and benefit delivery levels to Canadians, and support to the Government of Canada and Ministers in an environment of ongoing service transformation.*

With the Budget 2005 announcement of the Service Canada initiative, a human resources and transition strategy was implemented in support of the policy, program, and service continuum. The strategy enabled a smooth transition to the new departments as well as a separate management and governance structure for Service Canada at the same time as preparations were made for implementing the *Public Service Modernization Act*.

Service Canada was launched on September 14, 2005. Agreements between Service Canada and both former departments were developed to set out the principles, roles, responsibilities and other arrangements that underlie the governance framework for Service Canada. Other concrete actions that have benefited service delivery to Canadians include the development and release of a service charter, the creation of an Office of Client Satisfaction as well as important work with the voluntary sector for the reduction of with respect to the administrative burden of grant and contribution programs.

"Following the February 2006 announcement, a comprehensive workplan was developed to support the structural integration of the two former policy departments. An "Agenda for Excellence" focussing on people, partnerships and knowledge was also created, to assist in the integration of employees into a unified corporate culture and to provide overall direction for the new department."

Risk 2: *Ability to demonstrate improved accountability for results and stewardship of resources in the context of evolving business processes and heightened public concerns over financial stewardship.*

A Task Force on Community Investments was created to examine federal policies and practices relating to the use of transfer payments and the funding of horizontal initiatives in support of community investments with the intent to have more consistent, results-oriented funding practices across the federal government and a seamless, horizontal approach to supporting investments in communities.

Reviews of the overall Financial Control Framework were initiated to address the complexities related to shared corporate services, program and service delivery at National Headquarters and in the Regions, and the Department's multiple funding sources. The Department continued its implementation of the Privacy Management Framework, including the development of privacy policy and guidelines. New Audit Chief Executives were appointed and work was initiated to implement external audit committees. The Department continued work to implement risk-based audit and evaluation plans and to strengthen performance indicators for public reporting.

Budget 2005 committed to realize a mix of program and operational savings beginning in 2005-2006. Service Canada realized savings of over \$292 million, exceeding the target of \$265 million.

Risk 3: *Ability to provide effective policy and program leadership to deliver on priorities and Government of Canada commitments and to address the diverse and changing needs of Canadians.*

To ensure alignment with the government-wide policy agenda, the former Social Development Department developed the *Social Development Policy* that would allow the Department to lead on the identification of policy directions for strengthening Canada's social foundations in key areas such as: child care, families and caregivers, poverty and exclusion, and communities. The Framework also identified the national interest and federal role in social development policy by specifying how the Government of Canada could lead in this area and how it could collaborate with other partners in order to improve social outcomes for Canadians. In support of evidence-based policy development and program design, Social Development developed the *Social Development Canada Knowledge Plan: A Discussion Paper*, which outlined the building blocks for a medium-term strategy for the creation, sharing and use of knowledge and information to support evidence-based decision-making and strengthen policy and program effectiveness.

The former Human Resources and Skills Development undertook a medium-term planning exercise to guide a Human Capital agenda including work on a national skills and learning agenda. In addition, the Department implemented the government commitments to Employment Insurance program enhancements announced on February 23, 2005. The Department also undertook consultations with provinces and stakeholders in support of the Wage Earner Protection Program, which received Royal Assent in November 2005.

The Departments conducted various consultations with provinces, territories, other levels of government and partners such as the voluntary and the private sectors to ensure that the development of its policy agenda benefited from their different perspectives and addressed policy priorities such as strategies on literacy and essential skills, access to post-secondary education initiatives, and policy development on housing and homelessness.



PERFORMANCE DISCUSSION BY STRATEGIC OUTCOME - HUMAN RESOURCES AND SKILLS DEVELOPMENT CANADA

Strategic Outcome



Efficient and inclusive labour market transitions through temporary income support and active employment measures

HRSDC has a number of programs that are vital to improving productivity and participation in the labour market. To achieve the strategic outcome, HRSDC relies on two program activities: Employment Insurance and Employment Programs.

Employment Insurance promotes individual well being, economic stability and a flexible labour market by providing temporary income support to unemployed workers who qualify under Part I of the *Employment Insurance Act*.

Employment Insurance encompasses a wide range of benefits to address the needs of workers and the labour market, including Canadians who are sick, pregnant or caring for a newborn or adopted child, as well as those who must care for a family member who is seriously ill with a significant risk of death.

Employment Programs provide programs and services that are funded under the Consolidated Revenue Fund and Part II of the *Employment Insurance Act*. These enable Canadians, including unemployed adults and targeted groups, such as youth and Aboriginal Peoples, to develop their skills and encourage them to invest in themselves and become self-reliant.

In fulfilling its mandate, the Department works in partnership with federal departments and agencies, provinces and territories, employers, unions, Aboriginal organizations, private and voluntary sector organizations.

The employment programming to support this strategic outcome is delivered through four major HRSDC-led horizontal initiatives¹⁰: Aboriginal Human Resources Development Strategy; Aboriginal Skills and Employment Partnership Program; Youth Employment Strategy; and Labour Market Development Agreements.

In addition to these activities, the Department helps to sustain the vitality of Official Language Minority Communities through a horizontal departmental initiative that provides policy direction and analysis across programs. The initiative's objective is to enhance human resources development, increase employability and community capacity building for the official language minority communities.

Strategic outcome indicators	
INDICATORS	CURRENT LEVEL
Percentage of unemployed looking for work for one year or more (52 weeks and over).	9.2% (2005)
Percentage of youth (15–24 year-olds) not in the labour force or in school.	8.9% (2005)
Involuntary part-time employment as a proportion of all part-time employment.	25.6% (2005)
Employment Insurance regular beneficiaries to unemployed ratio (the B/U ratio).	43.6% (2004)
Supplementary information on these performance indicators can be found at: http://www11.hrsdc.gc.ca/en/cs/sp/hrsdccommun/cpa.shtml	

¹⁰ Details on these horizontal initiatives can be found at: http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/profil_e.asp

During the last year, the Department continued to focus on promoting a more integrated labour market system for Canada and ensuring that the right tools are in place to address the needs of today's labour force. The Department continued to increase its efforts in enhancing skills and improving labour market outcomes for Aboriginal people, youth at risk and displaced older workers.

Key areas of accomplishment include:

- Enhancing skills and improving the labour market outcomes of Aboriginal people, by:
 - Continuing work to strengthen and support the Aboriginal Human Resources Development Strategy, improve urban service delivery and engage the private sector in Aboriginal skills and labour market programming.
 - Addressing skill shortages by developing partnerships between Aboriginal groups, private industry and provincial and territorial governments to address labour supply and demand requirements through the Aboriginal Skills and Employment Partnership program and the Private Sector Engagement Strategy.
- Played a lead role in the Social Development Subcommittee of the tri-partite (City of Toronto, Government of Ontario and several federal departments) Working Group on Urban Youth Violence – on ways to address the problem of youth violence in Toronto.
- Concluded a Labour Market Development Agreement with the Government of Ontario, which will result in the province assuming responsibility for the design and delivery of similar EI Part II programs and services on January 1, 2007.
- Implemented a new rate-setting mechanism for Employment Insurance premiums. As a result, the 2006 premium rate was set by the Canada Employment Insurance Commission based on the new mechanism and announced on November 9, 2005; and
- Effective January 1, 2006, the Quebec Parental Insurance Plan came into effect, allowing the province of Quebec to provide its own maternity and parental benefits to its residents.

DESCRIPTIVE INDICATORS

Targets were not established for the following indicators as they are descriptive indicators of program activity for which performance objectives are not appropriate. Values for several years are provided where available.¹¹

INDICATORS	NOTES
<p>Access Percentage of unemployed targeted by the Employment Insurance program eligible to collect regular Employment Insurance benefits.</p> <p>2004 result – 80.4% 2003 result – 84%</p>	2005 Data not yet available from Statistics Canada.

¹¹ Note that the service delivery indicators associated with the Insurance and Employment Program activities can be found under the Strategic Outcome "Seamless, integrated and multi-channel service delivery that ensures client satisfaction."

DESCRIPTIVE INDICATORS	
Targets were not established for the following indicators as they are descriptive indicators of program activity for which performance objectives are not appropriate. Values for several years are provided where available.	
INDICATORS	NOTES
Result: 6.8% (2005) Result: 6.2% (2004) • Older workers (over 55) Result: 6% (2005) Result: 6.5% (2004)	Older Workers: 17.3% (55 and over)
Adequacy Proportion of regular entitlement collected by Employment Insurance claimants (%). Result: 60.9% (2003/04) 61.2% (2002/03)	Note: For 2003/04 the methodology for calculating this proportion was revised. Proportion of entitlement used is based on claims for regular benefits; claims that mix regular benefits with benefits for sickness, maternity, etc. are now excluded. Under the new methodology, the proportion for 2002/03 was 61.2%.
Proportion of Employment Insurance maternity/parental entitlement collected by Employment Insurance claimants. Result: 92.0% (2004/05) 91% (2003/04)	
Labour market efficiency Level of household consumption one year after Employment Insurance benefit. Result: \$2,365	Consumption based on a four week period.
Duration of employment for clients participating in EBSMs or similar provincial/ territorial programs under LMDAs. Result: See Notes	With EBSMs being delivered under various LMDA arrangements in very different labour markets across the country, and with individual summative evaluations differing in reference periods, broad generalizations of the results across jurisdictions are difficult. In this context, it is observed that EBSMs appear to yield some modest positive net impacts on employment duration of participants, depending on the program, client type and jurisdiction. Detailed results can be found in the Employment Insurance Monitoring and Assessment Report 2005 (see Chapter 5 page 89 of Report). Please refer to the following URL for evaluation findings and tables. http://www.hrsdc.gc.ca/en/ei/reports/eimar_2005.shtml

DESCRIPTIVE INDICATORS

Targets were not established for the following indicators as they are descriptive indicators of program activity for which performance objectives are not appropriate. Values for several years are provided where available.

INDICATORS**NOTES**

Earnings for clients participating in EBSMs or similar provincial/territorial programs under LMDAs.

Result: See Notes

With EBSMs being delivered under various LMDA arrangements in very different labour markets across the country, and with individual summative evaluations differing in reference periods, broad generalizations of the results across jurisdictions are difficult. In this context, EBSMs appear to yield some modest positive net impacts on earnings of participants, depending on the program, client type and jurisdiction.

Detailed results can be found in the Employment Insurance Monitoring and Assessment Report 2005 (see Chapter 5 page 89 of Report). Please refer to the following URL for evaluation findings and tables.

http://www.hrsdc.gc.ca/en/ei/reports/eimar_2005.shtml

PROGRAM INDICATORS

Number of youth clients who return to school following an employment program intervention (Youth Employment Strategy).

Objective: 2,000

Results:

2005-06 1,417

2004-05 925

2003-04 1,434

During 2005-2006, HRSDC Youth Employment Strategy programs and services assisted 67,849 young people to gain work experience or enhanced employability skills through employment program interventions at an investment of \$210.9 million.

The results reported here are those of the Youth Employment Strategy's Career Focus and Skills Link interventions and do not include Summer Career Placement (the Summer Career Placement initiative assisted 48,107 students gain career related work experience and return to school).

Under these programs, returns to school and client employed or self-employed are both considered equally successful outcomes. Economic and labour market conditions improved for Canada as a whole during 2005-06, which may have drawn clients into the workforce, who would have otherwise chosen to return to school.

In addition to the 1,417 returns to school, 6,091 reported being employed or self-employed after an intervention. The number employed (6,091) is included in result below of 219,733 clients employed.

Number of Aboriginal clients who return to school following an employment program intervention (Aboriginal Human Resources Development Agreements - AHRDS).

Objective: 8,000

Results:

2005-06 5,691

2004-05 5,675

2003-04 7,746

Under AHRDS, returns to school and returns to work are both considered equally successful outcomes. Economic and labour market conditions improved for Canada as a whole during 2005-06, which may have drawn clients into the workforce, who would have otherwise chosen to return to school.

In addition to the 5,691 returns to school, 16,198 returned to work, which is included in the result below of 219,733 clients employed.

As well, many AHRDS clients face multiple barriers – low literacy, lack of stable housing, high mobility – to participating in training or education opportunities and individuals may often require a series of longer targeted interventions over time in order to support and prepare for a return to school.

PROGRAM INDICATORS							
<p>Number of clients employed or self-employed following an employment program intervention, and as a proportion of client action plans closed.</p> <p>Objective: Clients employed 260,000</p> <p>Result:</p> <table border="0"> <tr> <td>2005-06</td> <td>219,733</td> </tr> <tr> <td>2004-05</td> <td>225,988</td> </tr> <tr> <td>2003-04</td> <td>246,791</td> </tr> </table>	2005-06	219,733	2004-05	225,988	2003-04	246,791	<p>The 2005-2006 objective is established based on preliminary national projections based on historical client and program data and was established in March of 2005. Subsequent regional / provincial targets were confirmed with a final national objective set in August 2005, of 236,973. Compared to that objective, the 219,733 clients employed following an intervention result represents a 93% achievement of the target.</p> <p>These results need to be considered in the context of low unemployment rates where Canadians who are more employable find work more quickly. Employment programs have been serving fewer clients, but who face more employability barriers requiring more complex interventions and consequently with fewer clients returning to work or to school. These outcomes are consistent with serving clients with more and more difficult problems. They demonstrate that the department is adjusting its activity to changing labour markets and serving those facing difficulty in the labour market.</p> <p>The department recognizes issues with the method for setting targets and commits to reviewing the process for target setting and for reporting results for Employment Programs.</p> <p>There is no historical data for this part of the indicator.</p>
2005-06	219,733						
2004-05	225,988						
2003-04	246,791						
<p>Clients employed or self employed as a proportion of client action plans closed.</p> <p>Result: 2004-05 56.25%</p>							

Supplementary information on these performance indicators can be found at:
<http://www11.hrsdc.gc.ca/en/cs/sp/hrsdccommun/cpa.shtml>

Achievements Against Priorities

Priority: <i>Provide national leadership on issues related to Employment Insurance benefits; determine and implement future directions for the Employment Insurance program to ensure that it remains well suited to the needs of Canada's workforce.</i>	
Plan	2005-2006 Achievements
Review Employment Insurance Economic Regions used to establish entitlement and benefit periods for unemployed Canadians based on the unemployment rate in regional economies across the country.	Review of the Economic Regions is ongoing. Due to the timing of the public release in early 2007 by Statistics Canada of the required data necessary to the modifications of the EI Regulations, implementation of new regions is anticipated in fiscal year 2007-08.
Work on next steps to the agreement in principle on the Quebec Parental Insurance Plan.	Legislative and regulatory amendments needed to facilitate the coexistence of the EI program and provincial plans were put in place for the implementation of the Quebec Parental Insurance Plan on January 1, 2006.
Work with the Department of Finance to establish a new rate-setting mechanism for determining the level of Employment Insurance premiums for employers and employees.	A new premium rate-setting mechanism which increases both the transparency of the process and the independence of the EI Commission in EI premium rate-setting was introduced in 2005. Beginning with the 2006 rate, the EI Commission was given the legislative authority to set the EI premium rate. In addition, the independence of the Chief Actuary was increased for the purposes of rate-setting by establishing a functional reporting relationship to the EI Commission. These measures enhanced the independence of the EI Commission and provide it the authority to set the premium rate.
Respond to recommendations made to the government on issues facing seasonal workers.	In the latter part of 2005, three 3-year pilot projects representing an investment of \$300 million annually, were implemented in regions of high unemployment (10 percent or higher) and are testing the labour market impacts of: <ul style="list-style-type: none"> <input type="checkbox"/> enabling individuals new to the labour market or returning after an extended absence to gain access to EI benefits after 840 hours of work, rather than 910, when linked to EI employment programs; <input type="checkbox"/> calculating EI benefits based on the "Best 14 Weeks" of earnings over the 52 weeks preceding a claim, to make EI benefit levels more reflective of full-time work earnings for those with sporadic work patterns; and <input type="checkbox"/> increasing the working-while-on-claim threshold to allow individuals to maintain a greater attachment to the work force without a reduction in their benefits.
Continue with the final year of a two-year plan to improve the accuracy of Employment Insurance benefit payments by enhancing the quality of services on a national basis.	<ul style="list-style-type: none"> <input type="checkbox"/> Completed the second year of the Quality Assurance Plan that consisted of a national review of Employment Insurance claims. Two reviews (Atlantic Region) remain to be conducted in 2006-2007, ahead of schedule. <input type="checkbox"/> Developed and enhanced existing tools for use nationally, and improved reporting mechanisms to address findings emanating from the reviews, pending the distribution of the National Report of Findings next fiscal year.

Priority: <i>Improve service delivery to Canadians by standardizing, simplifying and automating processes via the Internet, with specific emphasis on self-service and interactive, automated options and services for individuals and the ability for employers to complete Records of Employment on the Web.</i>	
Plan	2005-2006 Achievements
Align Employment Insurance service delivery processes with the Government of Canada service vision by continuing automation of benefits delivery and promotion of electronic services, such as applying for benefits and receiving Records of Employment using the Internet and automating claims processing.	<ul style="list-style-type: none"> <input type="checkbox"/> Employment Insurance claimants were able to complete and submit their bi-weekly Employment Insurance reports on-line. <input type="checkbox"/> Job listings and other job services were presented to recently unemployed clients when they applied for Employment Insurance on-line. <input type="checkbox"/> Canadians were able to apply for Employment Insurance benefits on-line on the basis of their Best 14 Weeks for insurable earnings (regional pilot).
<p>Expand the range of Employment Insurance related services that are available to individuals and businesses on the Internet:</p> <p>Sub-plan: Allow clients to use Internet service <i>My Account</i> to view their claims status and change information, such as their direct deposit and address.</p> <p>Sub-plan: Allow doctors to send medical certificates electronically via the Internet.</p>	<ul style="list-style-type: none"> <input type="checkbox"/> <i>My Service Canada Account</i> was launched in September 2005 from the Service Canada web site. This initial launch provided a central location for Canadians to access existing Service Canada online transactional services. <input type="checkbox"/> The development of the systems work to enable medical physicians to send medical information directly to the Department via the internet was completed. However, the pilot did not get underway due to issues surrounding secure communications between Service Canada and OntarioMD (a wholly owned subsidiary of the Ontario Medical Association). The intent is to run a pilot project and upon completion evaluate the effectiveness of this system.
Enhance the integrity of the Employment Insurance program by protecting client information and reviewing control activities to ensure that payments are made to the correct individuals.	Achieved 95% Employment Insurance accuracy rate by implementing the Social Insurance Number and Social Insurance Registry as the foundation for a safe and secure common identifier.
Develop transformed and integrated employment programs service offerings through Web-based delivery and contribute to the development of a Secure Channel for online transactions for employment.	<ul style="list-style-type: none"> <input type="checkbox"/> Implemented a common infrastructure and integrated channels and business processes including input to Secure Channel functionality (business requirements) and funding models and departmental position with respect to Service Canada linkages to Secure Channel writ large. <input type="checkbox"/> Implemented a one-stop, integrated employment service for employers by merging www.JobBank.gc.ca, www.JobsEtc.ca and www.hrmanagement.ca Web sites in to one location. <input type="checkbox"/> Delivered services to employers, including Record of Employment on the Web and integration with Secure Channel's new e-pass platform; enquiry services and support; job posting and job matching services; Foreign Worker Program; information on the labour market and labour laws and regulations.

Priority: Implement Part VII, section 41 of the Official Languages Act in support of Speech from the Throne commitments.	
Plan	2005-2006 Achievements
Provide the required operational support in the implementation of the new Enabling Fund for Official Language Minority Communities whose objective is to ensure continuity of activities and funding for the organisations that support community capacity building in the areas of human resources and economic development.	Methodology and data collection tools were developed and adopted to monitor activities and measure economic impacts of the program in each of the communities through the Department's participation in a tri-partite working group with Service Canada and community representatives on performance indicators and data collection for the Enabling Fund.
Assist the Privy Council Office in coordinating the support to official language minority communities via the Comité national de développement économique et d'employabilité outside Quebec and the National Human Resources Development Committee for the English Linguistic Minority within Quebec.	Plans including concrete objectives and goals for improving the vitality of Official Languages Minority Communities were developed for both national committees.
Support Citizenship and Immigration Canada (CIC) to develop strategies to increase the number of French-speaking immigrants in Francophone minority communities and to facilitate their reception and integration into the labour market.	Facilitated the integration of French-speaking immigrants into francophone communities outside of Quebec through the CIC led steering committee. HRSDC has developed a departmental action plan and identified key programs that will support the integration of francophone immigrants into the Canadian labour market. The Department will also participate in the implementation committee for Citizenship and Immigration Canada's five-year Strategic Plan to Foster Immigration of Francophone Minority Communities
Participate in the Privy Council Office's Interdepartmental exercise on the development and implementation of the Horizontal Results-based Management and Accountability Framework to provide an overarching account of government spending on all issues regarding Official Languages.	HRSDC worked with PCO in developing the approach for implementing the Horizontal Results-based Management and Accountability Framework (HRMAF), not only for HRSDC, but for all departments directly involved with the GoC's Action Plan for Official Languages. HRSDC is meeting its commitments with the implementation of the Enabling Fund, increasing youth internships, improving family literacy amongst the Francophone Minority Community and integrating French speaking immigrants into the Canadian Labour Market as well as developing early childhood education pilot projects. The Department is also participating in the evaluation of the GoC Action Plan for Official Languages with the Privy Council Office and Canadian Heritage.

Priority: Develop and elaborate on an integrated labour market strategy to respond to emerging labour market trends.	
Plan	2005-2006 Achievements
Explore new arrangements with provinces and territories to support integrated labour market programming.	Continued to work with provinces and territories, on a multilateral and bilateral basis, to identify key challenges and priorities, and to support a more coherent labour market system that meets the needs of all Canadians.
Continue to collaborate with the Government of Ontario on initiatives to better integrate Canada and Ontario labour market programs and services.	Concluded and signed a transfer Labour Market Development Agreement with Ontario for implementation on January 1, 2007.
Support HRSDC contribution to the development of the Northern Strategy to meet the government's commitment to foster sustainable economic and human development.	HRSDC, in collaboration with eleven other federal departmental and agencies, territorial governments, Aboriginal organizations, and youth-serving organizations, developed a framework for action to improve the socio-economic and health outcomes for youth in the territories. This framework, with its vision of healthy, vibrant, engaged youth, encompasses healthy youth; safe communities; community well-being; and learning, skills development and work. Representatives from all sectors are moving forward on concrete commitments to action with particular emphasis on opportunities for collaboration and coordination.
Deliver Canadian Agricultural Skills Services program on behalf of Agriculture and Agri-Food Canada to help farmers and their spouses increase family income through improved farm practices or through alternative income sources.	<ul style="list-style-type: none"> <input type="checkbox"/> Through Service Canada, assisted in the delivery of Agriculture and Agri-Food's Canadian Agriculture Skills Service Program in British-Columbia, New Brunswick, Newfoundland and Labrador, Nova Scotia, Ontario and Yukon. <input type="checkbox"/> Supported the delivery of the Canadian Agricultural Skills Service through Service Canada's telephone and Internet channels in jurisdictions where the provincial government is responsible for the delivery of the program.
Priority: Renew and improve Aboriginal employment programming in support of labour market participation.	
Plan	2005-2006 Achievements
Support the implementation of the renewed Aboriginal Human Resources Development Strategy and the Aboriginal Human Resources Development Agreements across the country.	<ul style="list-style-type: none"> <input type="checkbox"/> HRSDC spending under the Aboriginal Human Resources Development Strategy (AHRDS) amounted to \$335.3 million. AHRDS activities assisted approximately 46,164 Aboriginal people, of whom 16,198 became employed and 5,691 returned to school. Additionally, the return to work of Employment Insurance claimants before the end of the benefit period resulted in approximately \$15.1 million in unpaid Employment Insurance Benefits (<i>Employment Insurance Act Part I</i>). The return to work of non-Employment Insurance claimants resulted in an estimated \$6.2 million in savings to social assistance. <input type="checkbox"/> HRSDC worked closely with other federal departments, National Aboriginal Organizations and other stakeholders to strengthen the AHRDS in key areas including; urban service delivery, private sector engagement, labour market research, and advancing self-government negotiations in the Yukon.
Improve the participation of Aboriginal people in sustainable employment through the Aboriginal Skills and Employment Partnerships program in support of the Government of Canada's broader Aboriginal agenda.	Nine partnerships across the country have been established under the Aboriginal Skills and Employment Partnerships (ASEP) program to implement human resources strategies that provide Aboriginal people with the skills and training required to access long term jobs in areas such as mining, oil and gas, forestry and the trades. In excess of 1200 Aboriginal clients have participated in ASEP related activities.

Priority: <i>Renew and improve Aboriginal employment programming in support of labour market participation.</i>	
Plan	2005-2006 Achievements
Collaborate with other departments on Aboriginal Early Learning and Childhood Development and continue support for quality child care programs on reserve.	<ul style="list-style-type: none"> <input type="checkbox"/> Increased funding to the First Nations and Inuit Child Care Initiative (FNICCI) by \$7 million per year to bring total funding to \$57.05 million per year. This additional funding will allow communities to increase access to child care. <input type="checkbox"/> Subsidized 7,500 spaces in more than 400 First Nations and Inuit communities. <input type="checkbox"/> Continued work with other federal departments, including Health Canada, Indian and Northern Affairs Canada, and the Public Health Agency of Canada, as well as National Aboriginal Organizations on the development of options for integrating Aboriginal Early Childhood Development programs to improve the quality and delivery of childcare.
Priority: <i>Strengthen program management of grants and contributions to create a stronger balance between controls, risk and results.</i>	
Plan	2005-2006 Achievements
Balance strengthened accountability and integrity of grants and contributions delivery with service goals (e.g. review of funding approaches for third-party delivery of programs and services) and streamline the related administrative processes.	<ul style="list-style-type: none"> <input type="checkbox"/> Implemented a streamlined and standardized control framework for grants and contributions to reduce the administrative burden, including a standardized eligible cost listing, as well as a costing methodology that allows the Department to pay flat percentage rates for certain costs, as opposed to reimbursing itemized expenditures. <input type="checkbox"/> Developed a results-based approach to funding contribution agreements whereby payments are directly linked to outputs and outcomes, increasing the focus on results. <input type="checkbox"/> Implemented pilot projects to test the results-based approach. <input type="checkbox"/> Continued work on developing a risk-based approach to funding grants and contributions; the first phase of which was implemented under the streamlined control framework.
Continue to examine ways to increase standardization and efficiency in the delivery of our programs.	<ul style="list-style-type: none"> <input type="checkbox"/> Two national senior level working groups examined ways to standardize work practices across regions with respect to the processing of Canada Pension Plan, Old Age Security and Employment Insurance claims. A number of best practices were identified and will be implemented in 2006-07 under the leadership of a senior executive. <input type="checkbox"/> A multi-year strategy was developed which, when fully implemented, will transform the processing of benefits across traditional program lines so workloads are nationally managed using standardized business processes and common work tools. <input type="checkbox"/> The need for pension applicants to submit paper birth evidence when applying for pension benefits was eliminated: dates of birth are now confirmed using data held in the Social Insurance Registry. This change is now standard practice for all pension programs and has increased the efficiency of the application process. <input type="checkbox"/> Refined program and operational policies and tools to support program delivery.

Programs Supporting Priorities

EMPLOYMENT INSURANCE – Employment Insurance promotes individual well being, economic stability and a flexible labour market by providing temporary income support to unemployed workers who qualify under Part I of the *Employment Insurance Act*. Employment Insurance encompasses a wide range of benefits to address the needs of workers and the labour market.

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/ei.shtml

2005-2006 Expected results:

- *Temporary income to qualified workers experiencing unemployment through no fault of their own.*

BENEFITS – This program provides temporary financial assistance to unemployed Canadians, including self-employed fishers while they look for work, participants on work-sharing agreements, as well as to Canadians who need to take a temporary absence from work for sickness, pregnancy and childbirth, caring for a newborn or adopted child, or to provide care or support to a gravely ill family member with a significant risk of death.

Operational activities that support delivery of Employment Insurance benefits include:

Claims Processing – Assessment, calculation and adjudication of Employment Insurance claims to determine entitlement and eligibility for benefits.

Appeals – This provision of the *Employment Insurance Act* provides a right of appeal for claimants, employers and the Employment Insurance Commission. There are four levels of appeals, namely, the Board of Referees, the Umpire, the Federal Court and the Supreme Court of Canada.

Investigation and Control – Prevention, deterrence, and detection activities and controls that prevent abuse and fraud against the Employment Insurance Program.

Program Management and Service Improvement – This measure provides functional guidance, policy direction, actuarial services, performance measurement and reporting, and Employer services including premium reductions.

Employment Insurance Premium Collection – Payments to Canada Revenue Agency for the collection of Employment Insurance premiums, insurability rulings and related appeals on behalf of the Employment Insurance Commission. <http://www.cra-arc.gc.ca/menu-e.html>

2005-2006 Expected results:

- *Adequate income replacement to unemployed Canadians who qualify under the Employment Insurance Act, while they look for work.*
- *Families which are able to balance work and family responsibilities during a period of unemployment as a result of sickness or injury, pregnancy, parental leave, or caring for a gravely ill family member with a significant risk of death.*

EMPLOYMENT PROGRAMS — Employment programs and services are funded under the Consolidated Revenue Fund and Part II of the *Employment Insurance Act*. These enable Canadians, including unemployed adults and targeted groups such as youth and Aboriginal peoples, to develop their skills and encourage them to invest in themselves and become self-reliant.

2005-2006 Expected results:

- *New strategies are in place to meet the challenges of a changing labour market.*
- *Canadians who are able to earn income and make smooth labour market transitions.*
- *Employers who are able to find skilled workers and thus improve their competitiveness.*
- *Effective partnerships with labour market partners.*

EMPLOYMENT BENEFITS AND SUPPORT MEASURES (EBSM) – Part II of the *Employment Insurance Act* authorizes the design and implementation of EBSM to help unemployed participants to prepare for, find and keep employment and to support organizations, businesses and communities that provide employment assistance services.

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/gc.shtml

2005-2006 Expected results:

- Assistance provided to unemployed Canadians to help them prepare for, find and maintain employment.

LABOUR MARKET DEVELOPMENT AGREEMENTS (LMDA) – Within the authority of the *Employment Insurance Act*, LMDAs have been signed with all provinces and territories. Eight of these agreements are in the form of a transfer agreement under which five provinces and two territories have assumed responsibility for the design and delivery of provincial/territorial programs and services similar to EBSM and Ontario will assume responsibility on January 1, 2007. HRSDC delivers EBSM through Service Canada in four provinces and one territory under co-managed LMDA. Pan-Canadian programs maintained under federal jurisdiction are available to address labour market activities and challenges that are national or multi-regional in scope. These activities are delivered under the authority of Treasury Board-approved terms and conditions for EBSM and for the LMDA pursuant to section 63 of the *Employment Insurance Act*.

http://www.hrsdc.gc.ca/en/epb/sid/cia/grants/ebsm/section_63.shtml

2005-2006 Expected results:

- Assistance provided to unemployed Canadians to help them prepare for, find and maintain employment.

ABORIGINAL HUMAN RESOURCES DEVELOPMENT STRATEGY (AHRDS) – The AHRDS is designed to assist Aboriginal people to prepare for, find and keep employment and builds Aboriginal capacity for human resources development. The AHRDS integrates most of HRSDC's Aboriginal programming.

2005-2006 Expected results:

- Increased employment opportunities for Aboriginal people by helping them build the skills they need to be successful in the labour market.

ABORIGINAL SKILLS AND EMPLOYMENT PARTNERSHIPS (ASEP) – Complementary to the AHRDS, ASEP is a nationally managed program geared toward supporting collaboration among Aboriginal groups, the private sector and provincial/territorial governments. The goal of ASEP is to ensure sustainable employment for Aboriginal people in major economic opportunities, leading to long-term benefits for Aboriginal communities, families and individuals.

http://www17.hrdc-drhc.gc.ca/AHRDSInternet/general/public/asep/asep_e.asp

2005-2006 Expected results:

- Increased employment opportunities for Aboriginal people across Canada to gain the skills they need to participate in economic opportunities such as mining, oil and gas, forestry, and hydro development projects.

YOUTH EMPLOYMENT STRATEGY (YES) – The YES programs ensure that Canada's youth are well prepared to participate and succeed in today's changing labour market. This national strategy offers a broad range of initiatives under three programs: Skills Link, Summer Work Experience and Career Focus.

<http://www.youth.gc.ca>

Youth Awareness Initiative: Youth Awareness is an initiative funded under EI Part II that complements the Youth Employment Strategy (YES) Programs. The Youth Awareness Program provides young Canadians with accurate information that will enable them to make appropriate career choices. Youth Awareness also ensures that employers find well-prepared young people to respond to future labour needs.

2005-2006 Expected results:

- *Improved labour market opportunities for young Canadians through assistance, such as skills development, work experience and labour market information that prepares them for the world of work.*

LABOUR MARKET ADJUSTMENTS AND OFFICIAL LANGUAGE MINORITY COMMUNITIES

Work Sharing – The Work Sharing Program enables employers to retain workers and avoid layoffs during temporary work slowdowns, while allowing employees to maintain their skills.

http://www.hrsdc.gc.ca/en/epb/sid/cia/grants/ws/desc_ws.shtml

Official Language Minority Communities – HRSDC provides funding to Official Language Minority Communities designated organizations, the Regroupements de développement économique et d'employabilité (RDÉE) and Community Economic Development and Employability Committees (CEDEC) through contribution agreements. The funding ensures continuity of activities for the organizations that foster the development of human resources, economic growth, and job creation and retention in official language minority communities.

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/solmc.shtml

2005-2006 Expected results:

- *Adequate and timely response to emergencies that have an impact on the labour market by providing assistance to employers and workers to avert temporary layoffs and retain skills.*
- *Enhanced human resources development, increased employability and community capacity building for the official language minority communities in Canada.*

EMPLOYMENT INSURANCE AND EMPLOYMENT PROGRAMS: FINANCIAL AND HUMAN RESOURCES 2005-2006			
GROSS SPENDING (MILLIONS OF DOLLARS)	PLANNED SPENDING	AUTHORITIES	ACTUAL
Gross Operating Expenditures	1,229.3	1,261.1	1,247.8
Non-Statutory Grants & Contributions	546.8	521.2	519.2
Statutory Transfer Payments	0.2	0.0	0.0
Total Gross Expenditures	1,776.3	1,782.3	1,767.0
El Part I – Income Benefits	13,595.4	12,402.0	12,402.0
El Part II – Employment Benefits and Support Measures	2,145.6	2,016.4	2,016.4
Total El Benefits	15,741.0	14,418.4	14,418.4
Government Annuities and Civil Service Insurance payments	52.1	51.4	51.4
Total	17,569.4	16,252.1	16,236.8
FULL TIME EQUIVALENTS (FTE)	10,510^a	12,419	12,419

^a Excludes FTEs for Shared Services

EMPLOYMENT INSURANCE AND EMPLOYMENT PROGRAMS: DETAILS BY PROGRAMS AND SERVICES 2005-2006			
<i>Financial Resources (in millions of dollars)</i>			
	Planned Spending	Authorities	Actual Spending
Employment Insurance Benefits			
El Benefits	13,595.4	12,402.0	12,402.0
Claims Processing	301.5	287.1	286.7
Appeals	38.7	35.0	35.0
Investigation and Control	84.0	87.8	87.8
Operational and Program Maintenance and Improvement	20.9	46.1	46.1
Canada Revenue Agency	103.2	105.4	105.4
Corporate services ^a	260.7	282.6	277.1
Other ^b	66.9	51.4	51.4
Employment Programs			
Employment Benefits and Support Measures	1,329.9 ^c	1,208.1	1,218.1
Labour Market Development Agreements	988.3 ^c	988.2	983.3
Aboriginal Human Resources Development Strategy	257.4	276.6	276.6
Youth Employment Strategy	313.5	271.6	265.2
Aboriginal Skills and Employment Partnerships	38.2	31.9	29.3
Labour Market Adjustments and Official Language Minority Communities	24.3	25.9	23.1
Allocated Corporate services ^a	126.7	135.5	132.8
Other ^b	19.8	16.9	16.9
Total	17,569.4	16,252.1	16,236.8
<i>Human Resources</i>			
Total FTE	10,510	12,419	12,419

^a Corporate Services resources related to the Minister's Office, the Deputy Minister's Office, the Comptroller's Office and the Shared Services have been prorated to each Strategic Outcome.

^b Other category is for resources which are not directly related to the sub-activities identified.

^c Includes all resources associated with EI Part II Pan-Canadian activities.

Strategic Outcome



Enhanced productivity and competitiveness of Canadian workplaces by supporting investment in and recognition and utilization of skills

A key component of ensuring Canada's productivity and improving quality of life involves enhancing the competitiveness of Canadian workplaces. Skilled workers can help drive improvements in productivity as they are better able to process information, perform tasks more efficiently and effectively, and adapt to and operate new technology. They are also more skilled at generating innovations resulting in new or improved information, products, services, and production and distribution processes.

The Department, in collaboration with partners including sector councils, professional regulatory bodies, employers, unions, and provincial and territorial governments, promotes workplace-related learning and skills development and recognition that reflect the realities of the changing labour market. HRSDC manages three horizontal initiatives¹² in support of this strategic outcome: Sector Council Program; Foreign Credential Recognition; and Training Centre Infrastructure Fund.

The main achievements for 2005-2006 relate to the ongoing implementation of the Workplace Skills Strategy (WSS), which aims to encourage workplace skills enhancement and utilization so that Canadians can keep pace with evolving workplace requirements. Highlights of these achievements include the following:

- Launch of the Workplace Skills Initiative, which pilots innovative models that will mobilize and transform Canadian workplaces to meet both present and future challenges.
- Launch of the Workplace Partners Panel to develop a more collaborative approach to labour market and skills issues.
- Implementation of the Training Centre Infrastructure Fund program to enable apprentices and journeypersons to train on equipment they will likely use on the job.
- The creation of three new sector councils in 2005-2006, in the areas of Printing, Electricity, and Supply Chain/Logistics.

Strategic outcome indicators

INDICATORS	CURRENT LEVEL
Percentage of adult workforce who participated in job-related formal training.	34.7% (2002) 28.5% (1997)
Percentage of adult workforce who participated in employer-supported job-related training.	25.0% (2002) 22.4% (1997)
Average earnings of recent immigrant university graduates as a percentage of the earnings of Canadian-born university graduates.	65% (2000)

Supplementary information on these performance indicators can be found at: <http://www11.hrsdc.gc.ca/en/cs/sp/hrsdccommun/cpa.shtml>

¹² Details on these horizontal initiatives can be found at: http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/profil_e.asp

A summative evaluation of the Sector Council Program is underway, and is expected to be completed in late 2006-2007 or early 2007-2008. A formative evaluation for Foreign Credential Recognition was completed in 2005-2006 and the report is expected to be released in late 2006-2007.

PROGRAM INDICATORS¹³	
INDICATORS	NOTES
Percentage of labour market represented by an exemplary sector council. Objective: 50% Result: 49.5%	With the addition of councils in the areas of Printing, Electricity and Supply Chain/Logistics the network of exemplary councils covers 49.5% of the labour market
Percentage of occupations that have an essential skills profile developed. Objective: 57% Result: 55.9%	This represents the development of 27 new Essential Skills profiles in 2005/06 in addition to 238 already developed.
Number of trades people who received Red Seal endorsement. Objective: 13,000 Result: 17,701 (calendar year 2005)	Results exceeded the 2005-2006 objective.
Number of job seekers and jobs in Job Bank. Objective: Increase by 5% Result: Job seekers increased by 1.6% Jobs posted increased by 29%	In 2005-2006 there were approximately 63 million visits from job seekers, which is a 1.6% increase from 2004-2005. In addition, in 2005-2006 there were 948,198 jobs posted in Job Bank, which is a 29% increase from 2004-2005. In 2004-2005 there were approximately 62 million visits from job seekers, and 735,058 jobs were posted in Job Bank.

Supplementary information on these performance indicators can be found at:
<http://www11.hrsdc.gc.ca/en/cs/sp/hrsdccommun/cpa.shtml>

¹³ Note that the service delivery indicator associated with the Workplace Skills program activity can be found under the Strategic Outcome "Seamless, integrated and multi-channel service delivery that ensures client satisfaction."

Achievements Against Priorities

Priority: <i>Facilitate the establishment of effective partnerships, networks and information flows within and for the Canadian labour market.</i>	
Plan	2005-2006 Achievements
<p>Encourage networks of employers and employees to provide and invest in workplace skills strategies by:</p> <ul style="list-style-type: none"> <input type="checkbox"/> fostering and strengthening linkages among small- and medium-sized enterprises <input type="checkbox"/> increasing access among small and medium sized enterprises to information and resources 	<ul style="list-style-type: none"> <input type="checkbox"/> The Workplace Partners Panel (WPP), consisting of business and labour leaders, was launched in October 2005. The WPP encouraged these leaders to provide and invest in workplace skills strategies by holding a first series of regional task forces which addressed national skills challenges. <input type="checkbox"/> The Sector Council Program encouraged 32 sector councils to implement workplace skills strategies through the development of labour market research and skills development tools for employed workers. In addition, the Sector Council Program leveraged employer investment in skills through employer-established in-house training programs. <input type="checkbox"/> Launch of the Workplace Skills Initiative (WSI), which encourages employers to provide and invest in workplace skills strategies. The WSI supports partnership-based projects to test and evaluate innovative, outcomes-focused approaches to skills development for employed Canadians. The main achievements which fostered and strengthened linkages among small and medium-sized enterprises in 2005-2006 include: <ul style="list-style-type: none"> <input type="checkbox"/> A first Call for Proposals was launched in August 2005 to seek exemplary pilot projects that test and share effective and feasible ways of enhancing skills development and human resources practices in small to medium-sized enterprises. <input type="checkbox"/> 16 proposals were identified as a high priority for funding. These 16 projects constitute the first coordinated effort to focus on the skills development and upgrading needs of small to medium sized enterprises.
<p>Develop partnerships with other government departments and provinces and territories to promote skills development in and for the workplace.</p>	<p>An engagement strategy was developed for the Workplace Skills Strategy, which promotes skills development in and for the workplace. This engagement strategy consists of four key dimensions – intra-departmental, interdepartmental/regions, provinces and territories and industry, educators and stakeholders. Preliminary steps were taken to address the first key dimension of this engagement strategy.</p>
<p>Identify priority users of labour market and skills information and approach development and dissemination of information from the point of view of “what employers need” by:</p> <ul style="list-style-type: none"> <input type="checkbox"/> establishing strategic partnerships to allow for the effective collection and sharing of data <input type="checkbox"/> improving accuracy, relevance and access to government-generated information. 	<ul style="list-style-type: none"> <input type="checkbox"/> Ten Essential Skills consultations were held across the country with business and labour leaders, and public opinion research was conducted with 401 employers. These activities developed information which informed policy and program development for Essential Skills. In addition, these activities disseminated information about Essential Skills to business and labour leaders. <input type="checkbox"/> The Annual Labour Market Information Forum was held in Halifax in November 2005. The Forum provided the opportunity for over 130 representatives from federal, provincial and territorial governments, industry and academia to discuss and explore various issues of common interest related to labour market information. <input type="checkbox"/> These activities supported the development and dissemination of accurate and relevant labour market information which is accessible to a broad array of Canadian stakeholders that use labour market information.

Priority: <i>Support the development of recognition processes and efficient and effective skills recognition and utilization.</i>	
Plan	2005-2006 Achievements
Support skills recognition processes, particularly for foreign-trained workers, both Canadians and immigrants, seeking employment in Canada by building on work with provincial governments, regulatory bodies and professional associations; and broadening scope of activities to work with sector councils.	The Foreign Credential Recognition (FCR) program facilitated the assessment and recognition of foreign qualifications for both regulated and non-regulated occupations. As of March 31, 2006, the FCR program had contributed to 52 projects with 39 organizations to work towards systemic change in credential assessment and recognition. Significant progress has been made in facilitating systemic change in the assessment and recognition of foreign qualifications in the following areas: 10 regulated occupations, including engineers and health occupations; 5 major sectors of the economy, including tourism and construction, to address issues regarding unregulated occupations; and addressing credential and recognition issues overseas prior to a skilled immigrant coming to Canada. This built on work with provincial governments, regulatory bodies and professional associations.
Provide informed labour market assessments to respond to employers' demands for temporary foreign workers.	The Foreign Worker Program provided labour market opinions and arranged employment opinions to employers and/or Citizenship and Immigration Canada, related to the potential hiring of approximately 133,000 foreign workers.
Priority: <i>Promote skills development in and for the workplace.</i>	
Plan	2005-2006 Achievements
Work with sector councils and other partners to identify current and emerging skills requirements in the labour market.	The Sector Council Program worked with partners to identify current and emerging skills requirements through the development of labour market research and strategy reports, national occupational and competency standards, and skills development tools for workers. In addition, the Sector Council Program leveraged employer commitment and investment in skills through employer-established or up-graded, in-house training programs.
Increase the awareness and understanding of essential skills to ensure that Canadians have the right skills for changing labour market demands.	The following achievements increased the awareness and understanding of essential skills to ensure that Canadians have the right skills for changing labour market demands: <ul style="list-style-type: none"> <input type="checkbox"/> Supporting 6 new Essential Skills projects via contribution agreements <input type="checkbox"/> Partnering with the Toronto District School Board to incorporate Essential Skills into Kindergarten – Grade 12 programming <input type="checkbox"/> Developing elements of a tool box that will assist employers in integrating Essential Skills into workplace training and human resource practices
Work with provinces, territories, employers and unions on apprenticeship and skilled trades issues in Canada to ensure that our labour market has an adequate supply of skilled trades persons who can practise anywhere in Canada.	<ul style="list-style-type: none"> <input type="checkbox"/> Together with the Canadian Council of Directors of Apprenticeship, several initiatives were launched to strengthen and expand on the Red Seal program. The following initiatives involved working with provinces, territories, employers and unions to ensure that our labour market has an adequate supply of skilled trades persons who can practise anywhere in Canada: <ul style="list-style-type: none"> <input type="checkbox"/> Evidence-based analysis in apprenticeship; <input type="checkbox"/> Developing and building on common core curriculum standards for the Red Seal trades; <input type="checkbox"/> Supporting the mobility of retiring military trade persons into civilian trades occupations through Red Seal certification. <input type="checkbox"/> Implementation of the Training Centre Infrastructure Fund (TCIF), a pilot program which helps union-employer training centres to purchase technical equipment used in trades training to ensure that workers have skills relevant to current and future workplaces.

Priority: Promote skills development in and for the workplace.	
Plan	2005-2006 Achievements
Increase opportunity for adult workplace skills investments and lifelong learning.	The following initial results of the Sector Council Program's Annual Survey of Performance Indicators demonstrate how the Sector Council Program increased opportunities for lifelong learning: <ul style="list-style-type: none"> <input type="checkbox"/> 5,927 workers took training at learning or academic institutions <input type="checkbox"/> 14,219 workers took in-house training to meet new standards that were established by Sector Councils <input type="checkbox"/> 3,060 employers established and/or upgraded in-house training programs at least in part as a result of Sector Council efforts
Better align government investments in skills with needs of employers and workers.	Launch of the Workplace Skills Initiative (WSI), which encourages employers to provide and invest in workplace skills strategies. The WSI supports partnership-based projects to test and evaluate innovative, outcomes-focused approaches to skills development for employed Canadians.

Programs Supporting Priorities

WORKPLACE SKILLS —Workplace Skills supports the collaboration of industry partners and stakeholders in identifying, addressing and promoting workplace skills development and recognition issues that reflect the realities of Canadian workplaces in our rapidly evolving labour market. It also develops and disseminates information and knowledge from a national, regional and local perspective which is vital in supporting and contributing to a well-functioning labour market.

2005-2006 Expected results:

- *Better understanding of workplace-related learning needs by all stakeholders.*
- *Enhanced utilization of existing skills in the labour market.*
- *Increased pan-Canadian consistency of skills recognition processes and requirements.*
- *Increased commitment of stakeholders toward workplace-related learning.*

HUMAN RESOURCES PARTNERSHIPS (HRP) – HRP works to foster national partnerships between the private sector and learning systems to ensure that Canadians have the skills and knowledge required for the workplace. It includes:

Sector Council Program – The Sector Council Program advances partnerships with industry and the learning system to ensure that Canadians have the skills and knowledge needed for the workplace.

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/spi.shtml

National Occupation Classification (NOC) – The NOC is a widely recognized, comprehensive system that describes and organizes occupations in the Canadian economy.

<http://www23.hrdc-drhc.gc.ca/2001/e/generic/welcome.shtml>

Apprenticeship and Labour Mobility Initiatives – These initiatives involve working with key apprenticeship stakeholders, including provincial/territorial governments, to find solutions to ensure an adequate supply of skilled trade workers and to allow qualified, skilled Canadian workers to practise their respective trades anywhere in Canada.

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/almi.shtml

2005-2006 Expected results:

- *Increased consensus and understanding of skills, occupational needs and labour market issues.*
- *Enhanced skills assessment and recognition processes.*
- *Enhanced labour market transition (facilitating labour market entry and career progression).*
- *Increased standardization of skilled trades requirements.*

FOREIGN WORKER PROGRAM – The Foreign Worker Program assists Canadian employers in meeting their human resource needs by facilitating the entry of temporary foreign workers while still considering the employers' efforts to recruit, hire and train Canadians.

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/fw.shtml

2005-2006 Expected results:

- *Efficient use of temporary foreign labour to meet skills requirements for Canadian employers.*
- *Consistency in decision making regarding the entry of temporary foreign workers.*

LABOUR MARKET INFORMATION – Labour Market Information (LMI) assists job seekers, people choosing a career, workers, career practitioners, employment service providers, employers and community development organizations in making labour market-related decisions. Labour Market Information products contribute to a well-functioning workplace by providing an array of widely available employment and skills-related information.

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/lmi.shtml
<http://srv600.hrdc-drhc.gc.ca/esrp/>

2005-2006 Expected results:

- *Better understanding of labour and skill requirements of employers.*
- *Enhanced utilization of existing skills in labour market.*

WORKPLACE SKILLS:**FINANCIAL AND HUMAN RESOURCES 2005-2006**

GROSS SPENDING (MILLIONS OF DOLLARS)	PLANNED SPENDING	AUTHORITIES	ACTUAL
Gross Operating Expenditures	75.6	96.9	86.9
Non-Statutory Grants & Contributions	74.3	37.6	33.8
Total	149.9	134.5	120.7
FULL TIME EQUIVALENTS (FTE)	695 ^a	840	840

^a Excludes FTEs for Shared Services

WORKPLACE SKILLS: DETAILS BY PROGRAMS AND SERVICES 2005-2006			
<i>Financial Resources (in millions of dollars)</i>			
	Planned Spending	Authorities	Actual Spending
Human Resources Partnerships	70.5	60.0	51.1
Foreign Worker Program	10.3	10.3	13.2
Labour Market Information	24.9	27.2	27.2
Allocated Corporate services ^a	23.6	23.6	23.1
Other ^b	20.6	13.4	6.1
Total	149.9	134.5	120.7
<i>Human Resources</i>			
Total FTE	695	840	840

^a Corporate Services resources related to the Minister's Office, the Deputy Minister's Office, the Comptroller's Office and the Shared Services have been prorated to each Strategic Outcome.

^b Other category is for resources which are not directly related to the sub-activities identified.

Strategic Outcome



Through access to learning, Canadians can participate fully in a knowledge-based economy and society

For individuals, learning is key to finding a job, increased earnings, personal growth, and civic and community involvement. For Canada, lifelong learning and skills development are related directly to improved competitiveness and productivity, better social outcomes, improved standard of living and better quality of life for all Canadians. Building a society that promotes lifelong learning and a dynamic labour market is a key component of a country's human capital strategy.

To assist Canadians in acquiring the education and skills necessary to participate more fully in a knowledge-based economy and society, HRSDC invested in skills and learning during 2005-2006 by: fostering a culture of lifelong learning; facilitating access to learning opportunities through financial assistance for current students and savings incentives for future students; promoting awareness; and working with key stakeholders.

In addition, HRSDC worked in partnership with other federal departments through two horizontal initiatives¹⁴ (the National Literacy Program and the Canada Student Loans Program) and has in recent years contributed to four foundations.¹⁵

Strategic outcome indicators

INDICATORS	CURRENT LEVEL		
Percentage of population with post-secondary diplomas/degrees. (2004)	25–64 year-olds =	44.6%	
	25–34 year-olds =	53.3%	
	35–64 year-olds =	41.8%	
Percentage of adult population (aged 25–64) who participated in adult learning opportunities.	36.7% (2002)		
Post-secondary participation of 18–21 year-olds by family after-tax income quartile when youth were of age 16. (2001)	Family After-tax Income Quartile	Post-secondary Education Participation	
		University	College
	Lowest	21%	30%
	Lower-middle	25%	32%
	Upper-middle	30%	37%
	Highest	38%	30%
	Overall	29%	32%
Proportion of adults who were attending university or college, by age groups. (October 2005)	Age Group	Percentage	
	25-34	9.5	
	35-44	3.5	
	45-54	1.6	
	55-64	0.6	
	Overall, 25-64	3.9	

Supplementary information on these performance indicators can be found at: <http://www11.hrsdc.gc.ca/en/cs/sp/hrsdccommun/cpa.shtml>

¹⁴ For more information, see <http://www11.hrsdc.gc.ca/en/cs/sp/hrsdccpa/publications/reports/9999-012005/hie.shtml>

¹⁵ For more information, see <http://www11.hrsdc.gc.ca/en/cs/sp/hrsdccpa/publications/reports/9999-032005/fe.shtml>

During 2005-2006, HRSDC worked with its partners to achieve the following key results:

- ❑ Improvements to the Canada Student Loans Program (CSLP) and enhancements to the Canada Education Savings Grant (CESG) Program, and the introduction of the new Canada Learning Bond (CLB).
- ❑ Support for learning opportunities was provided to about 155,000 Canadians through the CESG and 459,000 students through the CSLP. About 33 percent of Canadians under age 18 are now beneficiaries of an RESP and benefit from the CESG, versus 4.1% at inception of the program in 1998.
- ❑ The Adult Learning, Literacy and Essential Skills Program (ALLESP) was approved March 23, 2006 for implementation on April 1, 2006. This program integrates three adult learning programs into one initiative that strengthens federal leadership in addressing non-financial barriers to learning and builds on the strengths of the previous programs.
- ❑ The Canada Student Loans Program achieved an overall client satisfaction rating of 75% in 2005-2006, compared to 70% the previous year.

PROGRAM INDICATORS	
INDICATORS	NOTES
<p>Percentage of post-secondary education students with a Canada Student Loan or Study Grant.</p> <p>Objective: 45% for loan year 2005-2006 (August 2005 to July 2006)</p> <p>Result: Approximately 42% for loan year 2005-2006</p>	<p>The CSLP assisted approximately 42% of all full-time post-secondary students during loan year 2005-2006. The actual CSLP take-up figures are used but this figure is only approximate because it compares this take-up with the estimated full-time PSE enrolment for 2005-2006 as provided in the Actuarial Report on the CSLP as at 31 July 2005.</p> <p>This figure is intended as an indicator of the reach of this statutory program. It has remained relatively constant in recent years at approximately 40%. Exact figures are difficult to produce because of the lack of up-to-date statistics on actual university and college enrolment.</p>
<p>3-year loan default rate.</p> <p>Objective: 26% for 2005-2006 graduates</p> <p>Result: On track to meet targeted 3-year result (actual available in 2008-2009)</p>	<p>The 3-year loan default rate tracks the default rate of loans in the first three years after consolidation. This is a new performance indicator, first introduced in RPP 2005-2006 and 26% is the target we set for the loans consolidated in 2005-2006. Because this is a three-year target, the actual performance of this indicator for the 2005-2006 cohort will only be available in 2008-2009.</p> <p>The Learning Branch did not set performance targets for the 3-year default rate before 2005-2006, but we know that the actual performance has nonetheless improved dramatically since the beginning of the Direct Lending Regime. The 3-year cohort default rate was 37.7% for the 2001-2002 cohort and 31.8% for the 2002-2003 cohort. The preliminary estimate for the 2003-2004 cohort is 30.9%. We have clear evidence to indicate that performance of the 2004-2005 cohort will be better still. Based on this trend of continuous improvement we set the target of 26% for the 2005-2006 cohort.</p> <p>CSLP has put in place a series of portfolio performance improvement initiatives and strategies in the past three years, which has resulted in significant improvement in the performance of loans of recent graduates. Currently all key leading performance indicators rate point to lower cohort default rates in the years to come. We are confident that we can meet the target we set for the 2005-2006 graduates.</p>

PROGRAM INDICATORS (continued)

INDICATORS	NOTES
<p>Number of Canadians attending PSE in the current fiscal year and who have ever received a Canada Education Savings Grant (CESG)</p> <p>Objective: 165,000</p> <p>Result: 155,000</p>	<p>The objective of 165,000 was based on observed trends of requests for payments from Registered Education Savings Plans (RESPs) from 1999 to 2004 and it assumed stable future economic growth. Over the past year however, demand for labour continued to grow, and with this more 15 – 24 year olds decided to enter the workforce. This increased number of youth entering the work force indicates that more youth may have decided to forego post-secondary education for work.</p> <p>This year's result demonstrates continued growth in the number of children attending Post-Secondary Education with the help of the Canada Education Savings Grant. It corresponds to a one-year increase of 23% over the 126,000 children who attended last year, and represents a 94% achievement of this year's objective.</p>
<p>Percentage of Canadians under 18 years of age who have ever received a Canada Education Savings Grant (CESG).</p> <p>Objective: 36%</p> <p>Result: 33%</p>	<p>The 36 percent objective was based on an anticipated increased uptake from the implementation of the higher CESG match rates for low and middle-income families. However, availability of these higher CESG match rates to the public was delayed until the coming into force of the <i>Canada Education Savings Act</i> mid-year, and the ensuing development of the required delivery systems by financial institutions which offer RESPs. Canadians will not lose benefits as a result of the delay in implementation. The higher match rates will be paid retroactively, on any RESP savings made since January 1, 2005.</p> <p>This year's result of 33% continues an annual trend of growth in the percentage of children under 18 years of age who have received a CESG, and represents an increase of 10% over last year's participation rate, which was 30%.</p>
<p>Percentage of children eligible for the Canada Learning Bond who have a Registered Education Savings Plan.</p> <p>Objective: 22%</p> <p>Result: Actual results will be provided in 2006-2007</p>	<p>In addition, the Canadian personal savings rate continued its downward trend into 2005. In general, this reflects the fact that Canadians were thinking more about spending than saving. As a societal trend, more Canadian families may have decided to postpone their decision to open an RESP to a later time. \$2.2 million in Canada Learning Bond (CLB) payments were made to over 5,000 children as of March 31, 2006. However, these are early results, and represent only a portion of the CLB applications made by Canadians at their RESP provider.</p> <p>The Canada Learning Bond (CLB) is in its first year of providing education savings for low-income families. The 22% objective was based on what HRSDC hoped to achieve based on a full year's results. However, HRSDC experienced delayed availability of data to report for the CLB in 2005-2006, due to the coming into force of the <i>Canada Education Savings Act</i> in mid-year, and the ensuing development of delivery systems by financial institutions that offer RESPs. Financial institutions have begun to report CLB requests and actual results will be available in 2006-2007.</p> <p>The delay in implementation will not affect children's entitlement for the CLB. Each child born after 2003 is eligible for a CLB for each year that the child's family is entitled to the National Child Benefit Supplement. When the initial CLB application is processed, all previous CLB entitlements will be paid to the child's RESP.</p> <p>The percentage of children eligible for the CLB who have a Registered Education Savings is also expected to increase following the implementation of planned communication and outreach activities in 2006-2007.</p>

Supplementary information on these performance indicators can be found at:
<http://www11.hrsdc.gc.ca/en/cs/sp/hrsdccommun/cpa.shtml>

Achievements Against Priorities

Priority: <i>Implement initiatives and enhancements to improve access to post-secondary education by reducing financial barriers.</i>	
Plan	2005-2006 Achievements
<p>Implement changes to key learning programs as announced, such as:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Enhancements to the CSLP <input type="checkbox"/> the CLB, which provides a grant to low-income families to encourage saving for their children's post-secondary education <input type="checkbox"/> Enhancements to the CESG to increase the grant-matching rates on investments in Registered Education Savings Plans for children of low and middle-income families. 	<p>Worked with the provinces, territories and financial institutions to implement enhancements to CSLP on August 1, 2005 including:</p> <ul style="list-style-type: none"> <input type="checkbox"/> increasing weekly loan limits from \$165 to \$210 and including computers as eligible expenses; <input type="checkbox"/> reducing expected parental contributions to make assistance accessible to more students from middle-income families; <input type="checkbox"/> introducing the new Canada Access Grant for Students from Low-income Families to cover 50% of a student's first-year tuition, up to \$3,000; <input type="checkbox"/> introducing the new Canada Access Grant for Students with Permanent Disabilities to provide up to \$2,000 in non-repayable funding before eligible students are awarded loans; <input type="checkbox"/> improving debt management by making Interest Relief more accessible and raising the total amount of Debt Reduction in Repayment available. <input type="checkbox"/> effective June 2005, granting forgiveness of Canada Student Loan debt (Direct Loan only) in the unfortunate event that a borrower dies or becomes permanently disabled during the period of repayment; and <input type="checkbox"/> amending the legislation for the Canada Millennium Scholarship Foundation to allow protected persons, including convention refugees, to be eligible to receive scholarships and bursaries awarded by the Foundation, making eligibility criteria for scholarships consistent with CSLP. <p>Amending the student loan discharge provisions of the <i>Bankruptcy and Insolvency Act</i> by reducing the period of eligibility for student loan discharge through bankruptcy from the current 10 years to 7 years after a borrower has left post-secondary studies. Bill C-55 also includes a provision to allow student loan debt to be discharged due to undue hardship after 5 years. Bill C-55 received Royal Assent in November 2005 but has not yet come into force.</p> <p>In response to a finding in an evaluation of the Canada Education Savings Grant that low and middle-income families were not being reached by the Program, measures were announced to encourage all qualified Canadians to save for post-secondary education for their children through Registered Education Savings Plans.</p> <p>On July 1, 2005 HRSD implemented:</p> <ul style="list-style-type: none"> <input type="checkbox"/> the Canada Learning Bond (CLB), which provides up to \$2,000 for children born after 2003 into low-income families entitled to the National Child Benefit Supplement; and <input type="checkbox"/> the enhanced CESG, which provides higher grant-matching rates on annual contributions made to RESPs for low- and middle-income families.

Priority: Implement initiatives and enhancements to improve access to post-secondary education by reducing financial barriers.	
Plan	2005-2006 Achievements
Implement measures, including Education Savings Incentives Pan-Canadian Outreach, to increase Canadians' awareness of the importance of planning and saving for post-secondary education.	To raise awareness and inform low and middle-income Canadians of the availability of the Canada Learning Bond (CLB) and the Canada Education Saving Grant (CESG), HRSD: <ul style="list-style-type: none"> <input type="checkbox"/> launched the first Education Savings Incentives Pan-Canadian Outreach call for proposals with implementation expected in 2006-2007; <input type="checkbox"/> executed a direct mail campaign to families who are in receipt of the Canada Child Tax Benefit; <input type="checkbox"/> posted information about the CLB and the CESG on the CanLearn website, including the launch of an education savings calculator; and <input type="checkbox"/> distributed information products (e.g. brochures, training materials for Financial Institutions) through financial institutions and 1-800 O'Canada.
Implement the agreement with the Province of Alberta to deliver the Alberta Centennial Education Savings Plan.	As of April 2005, HRSDC is delivering the Alberta Centennial Education Savings (ACES) Plan on behalf of the province of Alberta on a cost-recovery basis. The Government of Alberta introduced ACES to encourage families to plan and save for their children's PSE by providing an education savings grant similar to the CLB.
Priority: Pursue policy and program development on lifelong learning, focusing on the reduction of financial and non-financial barriers to learning.	
Plan	2005-2006 Achievements
Assess CSLP reforms, in collaboration with provincial and territorial governments, to ensure that debt management measures reflect students' ability to pay and to better support part-time learners.	Work progressed in collaboration with provincial and territorial partners on the assessment of CSLP reforms. Consensus was reached on a shared policy diagnostic and general directions for solutions to improve and simplify debt management measures and supports for part-time learners.
Develop one adult learning program initiative with common objectives, outcomes and processes that strengthens federal leadership in addressing non-financial barriers to learning and builds on the strengths of the National Literacy Program, the Office of Learning Technologies, and the Learning Initiatives Program.	On March 23, 2006, the Adult Learning, Literacy and Essential Skills Program (ALLESP) was approved, with an implementation date of April 1, 2006. This program integrates the National Literacy Program (NLP), the Office of Learning Technologies (OLT), and the Learning Initiatives Program (LIP) into one adult learning program initiative with common objectives, outcomes and processes that build on strengths of the previous programs. The results of the NLP, OLT and LIP evaluations will help inform the implementation of ALLESP by building on previous strengths and improving program effectiveness.
Other Achievements in 2005-2006	
<ul style="list-style-type: none"> <input type="checkbox"/> Supported Statistics Canada's analysis of the findings of the 2003 International Adult Literacy and Skills Survey and the dissemination of the information to related stakeholders. This included cross-Canada presentations on Canadian results. <input type="checkbox"/> A total of 369 grants and contribution agreements are in place with partners and stakeholder organizations across Canada in support of literacy development and awareness. <input type="checkbox"/> Facilitated the creation of 41 new Community Learning Networks which will test the adoption and increased use of information and communications technology (ICT) with a view to meet the needs of disadvantaged learners who have no basic computer skills, and often minimal or no previous experience with learning technology. Of those, 32% directly involved adult learners in small town, rural or northern areas. 	

Programs Supporting Priorities

LEARNING – This area supports the Government of Canada’s significant investments in skills and learning to enable Canadians to acquire and improve their skills over a lifetime. Programs within this area include the Canada Student Loans Program (CSLP), the Canada Study Grant (CSG), the Canada Access Grant (CAG), the Canada Education Savings Grant (CESG), the Canada Learning Bond (CLB) and several learning and literacy grants and contributions programs, including the National Literacy Program (NLP).

2005-2006 Expected results:

- *Reduced financial barriers to participation in post-secondary education.*
- *Reduced non-financial barriers to participation in adult learning.*
- *Increased awareness of the benefits of lifelong learning and literacy.*

STUDENT FINANCIAL ASSISTANCE: CANADA STUDENT LOANS PROGRAM (CSLP), THE CANADA ACCESS GRANT AND THE CANADA STUDY GRANT (CSG) – These three programs promote accessibility to post-secondary education for those with demonstrated financial need by lowering financial barriers through the provision of loans and grants.

<http://www.hrsdc.gc.ca/en/gateways/topics/cxp-gxr.shtml>
<http://www.canlearn.ca>

2005-2006 Expected results:

- *Improved access to post-secondary education.*

CANADA EDUCATION SAVINGS PROGRAM: CANADA EDUCATION SAVINGS GRANT (CESG) AND CANADA LEARNING BOND (CLB) – The CESG and the CLB encourage Canadians to save for the post-secondary education of children through Registered Education Savings Plan.

<http://www.hrsdc.gc.ca/en/gateways/topics/cgs-gxr.shtml>

2005-2006 Expected results:

- *Increased financial capacity to attend post-secondary education.*
- *Increased post-secondary education participation.*

NATIONAL LITERACY PROGRAM (NLP) – The National Literacy Secretariat worked in partnership with the provinces and territories, other government departments, business and labour, the voluntary sector and non-governmental organizations to deliver the NLP and to build capacity for literacy opportunities across Canada. <http://www.hrsdc.gc.ca/en/gateways/topics/lxa-gxr.shtml>. The Program was integrated into the Adult Learning, Literacy and Essential Skills Program (ALLESP) effective April 1, 2006.

<http://www.hrsdc.gc.ca/en/hip/lld/olt/ADULTLESP.shtml>

2005-2006 Expected results:

- *Enhanced capacity of partners to address literacy.*
- *More literacy opportunities for Canadians with low literacy skills.*

OFFICE OF LEARNING TECHNOLOGIES (OLT) – The OLT promoted and facilitated the development and evolution of Community Learning Networks (CLN) as key features of a community-based approach to learning opportunities through the use of existing technology and strong partnerships. OLT was integrated into the ALLESP effective April 1, 2006.

<http://www.hrsdc.gc.ca/en/hip/lld/olt/ADULTLESP.shtml>

2005-2006 Expected results:

- *Increased number of communities that develop learning networks and use asset-based approaches to learning.*

LEARNING INITIATIVES PROGRAM (LIP)– This program promoted a lifelong learning culture and supported partnership initiatives that will contribute to the development of a more results oriented, accessible, relevant and accountable learning system. LIP was integrated into the ALLESP effective April 1, 2006.

<http://www.hrsdc.gc.ca/en/hip/lld/olt/ADULTLESP.shtml>

2005-2006 Expected results:

- *Enhanced innovation and relevance in learning policies and programs.*

INTERNATIONAL ACADEMIC MOBILITY – The International Academic Mobility initiative advanced the development of international skills, knowledge and understanding among students and promotes academic cooperation and institutional linkages among colleges and universities.

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/iam.shtml

2005-2006 Expected results:

- *Enhanced international mobility for Canadian students.*

LEARNING: FINANCIAL AND HUMAN RESOURCES 2005-2006			
GROSS SPENDING (MILLIONS OF DOLLARS)	PLANNED SPENDING	AUTHORITIES	ACTUAL
Gross Operating Expenditures	160.6	135.8	127.4
Non-Statutory Grants & Contributions	38.5	35.3	34.3
Statutory Transfer Payments	1,004.2	848.1	848.1
Total Gross Expenditures	1,203.3	1,019.2	1,009.8
Loans disbursed under the <i>Canada Student Financial Assistance Act</i>	1,118.8	1,331.3	1,331.3
Total	2,322.1	2,350.5	2,341.1
FULL TIME EQUIVALENTS (FTE)	411 ^a	595	595

^a Excludes FTEs for Shared Services

**LEARNING:
DETAILS BY PROGRAMS AND SERVICES 2005-2006**
Financial Resources (in millions of dollars)

	Planned Spending	Authorities	Actual Spending
Student Financial Assistance (CSG & CLSP)	1,641.5	1,799.8	1,797.0
Canada Education Savings Grant	614.6	475.5	473.5
National Literacy Secretariat	37.5	36.6	34.5
Office of Learning technologies	2.2	4.8	4.3
Learning initiatives Program	1.2	0.8	0.8
International Academic Mobility	4.3	3.6	3.4
Allocated Corporate services ^a	20.1	23.6	23.1
Other ^b	0.7	5.8	4.5
Total	2,322.1	2,350.5	2,341.1

Human Resources

Total FTE	411	595	595
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^a Corporate Services resources related to the Minister's Office, the Deputy Minister's Office, the Comptroller's Office and the Shared Services have been prorated to each Strategic Outcome.

^b Other category is for resources which are not directly related to the sub-activities identified.

Strategic Outcome



Safe, healthy, fair, stable, cooperative and productive workplaces

Labour laws and standards are critical to the successful functioning of private and public sector organizations, and equally important to the personal and family lives of the vast numbers of individuals who go to work every day. Labour law and policy define and structure the relationship between employers and employees, whether the employees are treated as individuals or are organized into legally-recognized unions, as well as the basic work environment, making sure it is safe, healthy and productive and maintains a fair balance of rights and responsibilities.

The Labour Program's federal jurisdiction mandate reaches an estimated 46,000 Canadian workplaces and up to 1.5 million employees (approximately 8% of Canadian workers), is legislative in nature and is limited to the industries that fall under the jurisdiction of Parliament for labour matters. The federal labour jurisdiction comprises sectors of key importance to the Canadian economic infrastructure including transportation, communications and banking, as well as federal Crown corporations and industries declared by Parliament to be for the general advantage of Canada, such as grain handling and uranium mining.

Key 2005-2006 achievements include:

- 96.9% of collective bargaining disputes were settled without a work stoppage.
- The new *Hazard Prevention Program Regulations* were published in the Canada Gazette Part II on December 14, 2005.
- The *Wage Earner Protection Program Act*, which provides the legislative base for a program that will provide compensation for unpaid wages and vacation pay owing to workers whose employers are declared bankrupt or subject to receivership, received Royal Assent on November 25, 2005. The Act is not yet in force and work remains to be done to design and implement the program.
- Federal, provincial and territorial Ministers responsible for Labour adopted a joint statement affirming their shared commitment promoting safe and healthy workplaces and outlining a series of individual and collaborative activities to achieve this goal.
- In the context of the action plans adopted by the 14th Inter-American Conference of Ministers of Labour and the 4th Summit of the Americas, funding was secured for a multi-year technical cooperation program aimed at strengthening labour standards and labour rights in the Americas.
- Released a report on key organizations' suggestions of necessary employment-related activities to be considered in the implementation of the Racism-free Workplace Strategy.

Strategic outcome indicators

INDICATORS	CURRENT LEVEL
Hours lost as a proportion of the usual weekly hours of all full-time employees (in percentage).	3.6% (2003)
Injury incidence rate per 100 workers, all federal jurisdictions.	7.71 (2005)
Percentage of total working days lost due to work stoppages.	0.69% (2005)

Supplementary information on these performance indicators can be found at: <http://www11.hrsdc.gc.ca/en/cs/sp/hrsdc/commun/cpa.shtml>

PROGRAM INDICATORS	
INDICATORS	NOTES
<p>Percentage of collective bargaining disputes settled under Part I (Industrial Relations) of the <i>Canada Labour Code</i> without work stoppage.</p> <p>Objective: To settle 90% of all collective bargaining disputes without a work stoppage</p> <p>Result: 96.9%</p>	
<p>Percentage of unjust dismissal complaints settled by inspectors (Part III of the <i>Canada Labour Code</i>).</p> <p>Objective: 75.0%</p> <p>Result: 74%</p>	<p>The 1 percentage point discrepancy may be attributed to the following reasons: a greater number of the parties are being represented by legal counsel and many cases are increasing in legal complexity; and the ability to meet the national objective of 75% is dependant on nature and number of complaints received during the course of the fiscal year.</p>
<p>Disabling Injury Incidence Rate (DIIR) measuring the change in the rate of time-loss injuries, illnesses and fatalities within federal jurisdiction industries from year to year.</p> <p>Objective: Reduce the disabling injury incidence rate by 10% over five years (by 2008-09) in those high-risk industries where we are targeting proactive interventions</p> <p>Result:</p> <p>Percentage decrease in DIIR from 2001 to 2004: All industries reduced by 9.96%; High priority industries reduced by 19.97%.</p>	

Supplementary information on these performance indicators can be found at:
<http://www11.hrsdc.gc.ca/en/cs/sp/hrsdccommun/cpa.shtml>

Achievements Against Priorities

Priority: <i>Complete a comprehensive review of Part III (Labour Standards) of the Canada Labour Code resulting in a report with recommendations to the Minister of Labour from the independent Commissioner leading the review.</i>	
Plan	2005-2006 Achievements
Undertake consultations and roundtables during spring-summer 2005 followed by additional research and analysis of consultation results.	<input type="checkbox"/> Consultations and roundtables were held with leading academics, the business community, non-governmental organizations, unions, First Nations, provincial and territorial government representatives, and the general public. The Federal Labour Standards Review Secretariat analysed information gathered through the consultations. <input type="checkbox"/> Over 25 research projects were undertaken by leading academics, the Federal Labour Standards Review Secretariat, and Statistics Canada.
Produce a final report covering both legislative and non-legislative recommendations to modernize federal labour standards.	The Commissioner appointed to conduct the Part III Review presented an Interim Report to the Minister of Labour in October, 2005.
Priority: <i>Finalize the analysis and develop policy options for a modernized Federal Workers' Compensation System for the federal public service and Crown corporations, in support of public service modernization and sound administrative and financial principles.</i>	
Plan	2005-2006 Achievements
Carry out research, consultation and analysis of consultation results.	A summary paper of problems and options was prepared as a result of consultations and analysis.
Analyse policy options and present recommendations for modernized system.	Agreement on the proposed policy direction was obtained in November, 2005. A team was set up to pursue this initiative.

Programs Supporting Priorities

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

2005-2006 Expected results:

- *Constructive and stable labour-management relations in federally-regulated workplaces.*
- *Safe, healthy and fair federally-regulated workplaces.*
- *Increased awareness of occupational health and safety practices and regulations.*
- *Fulfillment of Canada's international labour commitments.*
- *Increased cooperation and consensus on international labour issues through promotion of dialogue among federal, provincial and territorial governments and among government and employer and worker organizations.*
- *Improved access by stakeholders and the public to information on international labour issues and reports on Canadian labour legislation.*

FEDERAL MEDIATION AND CONCILIATION SERVICE – This service is responsible for providing dispute resolution and dispute prevention assistance to trade unions and employers under the jurisdiction of Part I (Industrial Relations) of the *Canada Labour Code*.

<http://www.hrfdc.gc.ca/asp/gateway.asp?hr=/en/lp/fmcs/02About.shtml&hs=mxm>

2005-2006 Expected results:

- *Constructive and stable labour-management relations, improved productivity and greater employee involvement in federally-regulated workplaces and economy-wide.*

The Formative Evaluation of the Preventive Mediation Program scheduled for 2005-2006 did not take place. Due to changing priorities, this evaluation was postponed. The need for an evaluation of the program will be reconsidered in the context of the new long term evaluation plan.

NATIONAL LABOUR OPERATIONS – This program ensures consistent and cost-effective administration of Part II (Occupational Health and Safety) and Part III (Labour Standards) of the *Canada Labour Code*, as well as the *Employment Equity Act*, Federal Contractors Program, *Fair Wages and Hours of Labour Act* and the *Non-smokers' Health Act*. National Labour Operations is responsible as well for administering the *Government Employees' Compensation Act* and the *Merchant Seamen Compensation Act*. It also administers Fire Protection Services on behalf of Treasury Board.

http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/labour.shtml

2005-2006 Expected results:

- *Safe, healthy, fair, stable, cooperative and productive workplaces.*

The Evaluation of the Labour Program Supplementary Funding was completed in 2005-2006. Modest results were shown to have been achieved with the small amount of supplementary funding for program integrity. The evaluation did document changes in Labour Program service delivery, in particular, a shift to proactive from reactive and program orientation in some areas. The Labour Program has acted on the specific suggestions made in the evaluation for improving the data collective process for providing management and analytical information in the future.

INTERNATIONAL AND INTERGOVERNMENTAL LABOUR AFFAIRS – This program promotes the development, observance and effective enforcement of internationally-recognized labour principles, and fosters cooperation and coordination among labour jurisdictions in Canada on international and national labour issues and facilitates dialogue with Program stakeholders.

<http://www.hrsdc.gc.ca/en/lp/ila/index.shtml>

2005-2006 Expected results:

- *Fulfilled Canada's international labour commitments.*
- *Improved cooperation and consensus on international labour issues through promotion of dialogue among federal, provincial and territorial governments and among government and employer and worker organizations.*
- *Improved access by stakeholders and the public to information on international labour issues and reports on Canadian labour legislation.*

WORKPLACE POLICY AND INFORMATION – This program identifies emerging trends and changes in the workplace and provides policy development and leadership in labour policy; manages a national data base of collective agreements, conducts research on employment relationships and disseminates key information, research and analysis. See Work-life Balance and Ageing Workforce at:

<http://www.hrsdc.gc.ca/en/gateways/topics/wnc-gxr.shtml>

2005-2006 Expected results:

- *Developed policy options that are supported by research and analysis on issues of emerging importance in the workplace, such as, work-life balance, work-related stress, ageing workforce and the transition from work to retirement, workers vulnerable to low wages and poor working conditions, and economic insecurity.*
- *Disseminated workplace-related research, information, tools, case examples and other products using the Internet and other means.*

- *Adopted comprehensive and authoritative national collective bargaining and industrial relations information service.*
- *The Workplace Information Directorate website is developing into a virtual national workplace information centre as it provides a window into provincial jurisdictions and provides national data on wages, working conditions, work stoppages, union membership and labour unions. These will be delivered through several online systems that are scheduled to be updated in order to meet departmental software standards.*

ABORIGINAL LABOUR AFFAIRS – Aboriginal Labour Affairs ensures a coordinated program approach to Aboriginal labour issues and facilitates the identification of, and appropriate response to, issues arising in the context of self-government negotiations and program service delivery. In order to carry out the Aboriginal Labour Affairs plans and priorities, two new full-time resources were hired in March, 2006, and were given specific mandates. One is to elaborate a strategic plan that would ensure a coordinated program approach on Aboriginal labour issues. The other is to ensure the integrity of the mandate of the Minister of Labour within the process of the self-government negotiations.

2005-2006 Expected results:

- *Coordinated program approach to Aboriginal labour issues, the identification of issues arising in the context of self- government negotiations and program service delivery, and the development of appropriate responses to address these issues.*

LABOUR: FINANCIAL AND HUMAN RESOURCES 2005-2006			
GROSS SPENDING (MILLIONS OF DOLLARS)	PLANNED SPENDING	AUTHORITIES	ACTUAL
Gross Operating Expenditures	74.2	84.9	84.3
Non-statutory Grants & Contributions	3.9	3.8	3.4
Workers' Compensation Payments	127.0	134.1	134.1
Total	205.1	222.8	221.8
FULL TIME EQUIVALENTS (FTE)	663^a	827	827

^a Excludes FTEs for Shared Services

LABOUR: DETAILS BY PROGRAMS AND SERVICES 2005-2006			
<i>Financial Resources (in millions of dollars)</i>			
	Planned Spending	Authorities	Actual Spending
Federal Mediation and Conciliation	7.0	8.0	8.0
National Labour Operations	164.3	179.4	178.8
International and Intergovernmental Labour Affairs	5.4	6.1	6.1
Workplace Policy and Information	3.5	4.2	4.2
Aboriginal Labour Affairs	0.3	0.3	0.3
Allocated Corporate services ^a	23.5	23.6	23.1
Other ^b	1.1	1.2	1.3
Total	205.1	222.8	221.8
<i>Human Resources</i>			
Total FTE	663	827	827

^a Corporate Services resources related to the Minister's Office, the Deputy Minister's Office, the Comptroller's Office and the Shared Services have been prorated to each Strategic Outcome.

^b Other category is for resources which are not directly related to the sub-activities identified.

Strategic Outcome



Enhanced community capacity to contribute to the reduction of homelessness

The National Homelessness Initiative (NHI) provides supports to 61 designated communities, as well as to small, rural and Aboriginal communities, to develop community-based measures that assist homeless individuals and families move toward self-sufficiency.

The extended NHI, 2003-2007, is placing more emphasis on transitional and supportive housing facilities and services, while addressing emergency shelter needs, to build a comprehensive continuum of supports. A recent study¹⁶ has demonstrated that emergency services such as shelters tend to involve higher costs than those for community/residentially-based homelessness options such as supportive and transitional housing. Partnering with the private and other non-governmental sectors is also essential in building the continuum. The NHI has focused on collaborating with the corporate sector, unions and foundations. This is vital in ensuring the long-term sustainability of community efforts to meet homelessness and housing challenges as well as to safeguard the accomplishments and momentum created by communities.

Whereas homelessness is under the responsibility of Human Resources and Social Development Canada (HRSDC), housing is largely under the purview of Canada Mortgage and Housing Corporation (CMHC), which is also under the authority of the Minister of HRSD effective February 6, 2006. The Housing and Homelessness Branch, formerly the National Secretariat on Homelessness, operationalizes the NHI, and provides housing and homelessness policy coordination and advice to the Deputy Minister and Minister of HRSD.

Strategic outcome indicators

INDICATORS	CURRENT LEVEL
Emergency shelters funded by the NHI in 2005-2006	56
Transitional housing funded by the NHI in 2005-2006	23
Supportive housing funded by the NHI in 2005-2006	80
Number of NHI funding partners in 2005-2006	208
Percentage of NHI funding partners by sectors for 2005-2006	
<ul style="list-style-type: none"> • Non-profit • All orders of government (e.g., federal/agencies, provincial/territorial, regional/municipal) • Private sector • Others (such as faith-based communities, unions, etc.) 	27% 35% 8% 30%

Supplementary information on these performance indicators can be found at: <http://www11.hrsdc.gc.ca/en/cs/sp/hrsdc/commun/cpa.shtml>

¹⁶ Steve Pomeroy (2005). The Cost of Homelessness: Analysis of Alternate Responses in Four Canadian Cities. Ottawa: Focus Consulting.

In 2005, the Office of the Auditor General reported on horizontal initiatives, and commented on the NHI, specifically on the need for stronger links with health programs and for better alignment of programs between CMHC and HRSDC. The Department moved immediately to strengthen these links: for example, the NHI's National Research Program developed a partnership with the Canadian Institutes of Health Research, and collaborated on issues as diverse as HIV/AIDS and family violence. Further, coordination between the Department and CMHC was exemplified through policy development of a transformative approach to Aboriginal housing.

In 2005-2006, the key achievements were:

- ❑ Action for Neighbourhood Change was launched, an action research project which brought together three federal departments with four national non-governmental organizations and local communities in a new way of doing business. Federal departments funnel funding through a single contribution agreement with one national non-governmental organization. That organization coordinates administration and funding with its non-governmental colleagues, thereby simplifying reporting while maintaining accountability;
- ❑ an independent evaluation of a NHI-funded initiative to encourage corporate support for eliminating homelessness which resulted in successful new relationships between local providers of services to people who are homeless and private businesses in four pilot communities; and
- ❑ the continuation of the Supporting Communities Partnership Initiative (SCPI) and the award-winning collaborations¹⁷ that resulted from it.

PROGRAM INDICATORS	
INDICATORS	NOTES
<p>Percentage of investments directed toward the continuum of supports and services based on priorities established by the community.</p> <p>Objective: At least 75% invested in community priorities</p> <p>Result: 100%</p>	<p>All investments were directed toward the continuum of supports and services based on priorities established by the community.</p>
<p>Ratio of total NHI investments versus funding by type of partners for each province and territory 2003–2006.</p> <p>Objective: 1 to 1.5</p> <p>Result: 1 to 1.79</p>	<p>While the ratio of investments varied considerably across the country, the overall ratio exceeded the objective.</p>
<p>Increase in accessible sources of information/data on homelessness.</p> <p>Objective: Evidence of uptake of data/information</p> <p>Result: Yes.</p>	<p>The number of visits to the NHI website increased for 2005-2006 over the previous year by more than five per cent. Also, support from the National Research Program has allowed other research organizations to highlight homelessness information on their own websites, e.g., the Canadian Ethnic Studies Association, at: http://www.ss.ucalgary.ca/ces/CES_en_homelessness.htm</p>

Supplementary information on these performance indicators can be found at:
<http://www11.hrsdc.gc.ca/en/cs/sp/hrsdccommun/cpa.shtml>

¹⁷ The SCPI-funded partnership in Nanaimo, BC won a social development award from the City of Nanaimo; the partnership in Prince Albert, Saskatchewan won the 2005 award for Planning Excellence (in the social planning category) from the Canadian Institute of Planners.

Achievements Against Priorities

Priority: <i>Lead the development of a partnership-based Canadian housing framework, in collaboration with CMHC, to ensure a seamless housing continuum that meets the needs of all Canadian individuals and families.</i>	
Plan	2005-2006 Achievements
Develop policy rationale and funding for a partnership-based Canadian housing framework.	<ul style="list-style-type: none"> <input type="checkbox"/> Federal/provincial/territorial Ministers responsible for Housing met and agreed to continue dialogue on a Canadian housing framework <input type="checkbox"/> Developed options for the new government, including a comprehensive housing and homelessness policy framework
Lead the design of a Canadian housing framework, including the renewal of the Supporting Communities Partnership Initiative (SCPI).	SCPI was extended for 2006-2007
Develop policy rationale and funding for a transformative approach to Aboriginal housing.	The NHI developed policy recommendations and a funding strategy for a transformative approach to Aboriginal housing. \$1.2 billion was announced in support of the transformative approach to Aboriginal housing at the First Ministers' Meeting, November 25, 2005.
Priority: <i>Expand relationships and partnerships with federal organizations, the corporate sector, unions and foundations to engage them in building a coordinated response to homelessness and housing challenges.</i>	
Plan	2005-2006 Achievements
Implement the new and expanded horizontal initiatives increasing community access to resources, programs and expertise regarding homelessness and housing solutions.	Action for Neighbourhood Change (ANC) has woven together the efforts of several federal departments, and four national non-governmental organizations to support the building of community capacity and expertise in five communities in four provinces across Canada.
Hold an Advisory Roundtable on Homelessness with leaders from the corporate sector and unions to provide advice to the Minister on engaging the private sector in solutions to housing and homelessness and to connect business at the community level.	The Minister's Advisory Committee (formerly, the Advisory Roundtable on Homelessness) – composed of key stakeholders, including representatives of the private sector, non-governmental organizations and academic institutions – met several times to identify solutions to address chronic homelessness.
Support national industry, business associations, and key corporate, union and other non-governmental sector partners in "connecting" their membership with homelessness and housing solutions.	An independent evaluation of the "Seeing is Believing" initiative, funded by the National Homelessness Initiative (NHI) and delivered by Canadian Business for Social Responsibility, demonstrated success in three pilot sites (Vancouver, Surrey and Toronto) resulting in new relationships between local service providers and private businesses in their shared commitment to reducing homelessness.
Priority: <i>Build, with a wide range of partners, an information-sharing network that will house and transfer knowledge and best practices to formulate effective solutions to address homelessness.</i>	
Plan	2005-2006 Achievements
Elaborate on and produce promising approaches/best practices and disseminate them via the NHI website and public events.	<ul style="list-style-type: none"> <input type="checkbox"/> The first National Research Conference on Homelessness, held in May 2005 with 600 participants, was hosted by York University and funded by the Department. <input type="checkbox"/> Twenty "best practices" were selected for 2005, and were posted on the NHI website in January 2006. <input type="checkbox"/> The Department co-hosted, with CMHC, three Ontario 'Best Practices Forums', which involved approximately 250 service providers, community groups and municipal staff. A number of NHI-funded projects were selected as 'promising approaches' and were presented at each forum.

Priority: <i>Build, with a wide range of partners, an information-sharing network that will house and transfer knowledge and best practices to formulate effective solutions to address homelessness.</i>	
Plan	2005-2006 Achievements
Promote the Partnering Learning Network information-sharing sessions and disseminate specialized partnership products via the NHI website.	Partnering Learning Network teleconferences between the Housing and Homelessness Branch were held every six weeks to share progress, materials and approaches, particularly on private-sector partnering.
Expand the national network of shelter service providers across Canada using the Homeless Individuals and Families Information System (HIFIS) to promote information sharing to disseminate comparable data on the characteristics of homelessness.	The number of shelters using the HIFIS increased from 349 in 2004-2005 to 424 in 2005-2006.
Enhance the NHI website to support improved access to and sharing of information on homelessness among the 61 designated communities.	Website content was regularly updated to add homelessness information such as research, promising approaches, and partnerships. http://www.homelessness.gc.ca/home/index_e.asp
Priority: <i>Enable communities to provide greater availability and accessibility to a comprehensive continuum of supports with a focus on transitional and supportive housing.</i>	
Plan	2005-2006 Achievements
Implement the national rollout of the learning strategy for "Not In My Back Yard" (NIMBY) in partnership with Canada Mortgage and Housing Corporation (CMHC).	Within Ontario (as part of the pilot for the strategy) and British Columbia as the first step in the national rollout, train-the-trainer sessions have been presented on strategies to counter the "NIMBY effect" by an NHI and CMHC partnership. Further community training has been provided by session participants from both provinces. As well, NHI staff co-presented four workshops in both provinces with CMHC.
Report on project investment, demonstrating shift from emergency to supportive and transitional housing.	The percentage of SCPI-funded active projects in 2005-2006 that provided emergency shelter declined slightly, while the percentage providing transitional housing increased from 42 to 50 per cent of total investments.

Programs Supporting Priorities

HOMELESSNESS – This program activity assists communities, through partnerships, in implementing measures – such as shelters, supportive and transitional housing, and related support services – that help homeless individuals and families as well as those at risk of homelessness move towards self-sufficiency, thereby contributing to society and the economy.

http://www.homelessness.gc.ca/home/index_e.asp

2005-2006 Expected results:

- *Contribution to the reduction of homelessness.*

SUPPORTING COMMUNITIES PARTNERSHIP INITIATIVE (SCPI) – The SCPI aims to increase availability and access to a range of services and facilities (emergency shelters, transitional/supportive housing, prevention) along the continuum from homelessness to self-sufficiency and an independent lifestyle. Projects funded by the SCPI support the priority areas identified through an inclusive community planning process. Along with providing financial support to communities, the SCPI encourages them to work in partnership with provincial/territorial and municipal governments as well as the private and voluntary sectors to strengthen existing capacity and to develop integrated responses to homelessness. Communities are allocated a

maximum funding level that must be matched from other community sources (i.e., fundraising, local sponsors, etc.). Communities must also explain how their activities are sustainable (i.e., how they will continue once SCPI funding ends).

http://www.homelessness.gc.ca/initiative/scpi_e.asp

2005-2006 Expected results:

- *Comprehensive continuum of supports to help homeless Canadians move out of the cycle of homelessness and prevent those at-risk from falling into homelessness.*
- *Enhanced community capacity to address homelessness.*

URBAN ABORIGINAL HOMELESSNESS (UAH) – Aboriginal homelessness is a serious issue in some communities and is best addressed by developing local responses. The NHI will continue to address the unique needs of the Aboriginal population through its UAH component. This component provides flexibility to meet the needs of homeless Aboriginal people, through culturally sensitive services. Enhancing capacity building – both within and outside of Aboriginal communities – through community planning, decision making and the formulation of partnerships is a key UAH focus. Cost-matching is not required; however, community contributions are encouraged where and when possible. The Housing and Homelessness Branch (HHB), formerly called the National Secretariat on Homelessness, works with the Federal Interlocutor's Division of Indian and Northern Affairs Canada to ensure the complementarity of the Urban Aboriginal Strategy pilot projects and the NHI's UAH component.

http://www.homelessness.gc.ca/initiative/uah_e.asp

2005-2006 Expected results:

- *Comprehensive continuum of supports to help homeless Canadians move out of the cycle of homelessness and prevent those at-risk from falling into homelessness.*
- *Enhanced community capacity to address homelessness.*

HOMELESS INDIVIDUALS AND FAMILIES INFORMATION SYSTEM (HIFIS) – There is little credible information or reliable methodology to determine the size or scope of the homeless population. One method is to measure access to homelessness-related supports and services in shelters, and the diversity of these shelters' clientele. To better address these knowledge gaps, HIFIS gives service providers an electronic data management system that enables them to share information and partnership development with local, private, municipal, provincial/territorial and federal levels. It assists communities in longer-term planning efforts and capacity-building to address their local homelessness challenges. The benefits resulting from a network of data-sharing communities contribute to the development of a national database that informs effective policies and programs.

A preliminary analysis of HIFIS data provides an estimate of 859 shelters in Canada that serve a minimum of 150,000 people each year. This database will also guide policy development, and help in further transforming management practices within the shelter system.

http://www.homelessness.gc.ca/initiative/hifis_e.asp

2005-2006 Expected results:

- *Enhanced community capacity to address homelessness.*

NATIONAL RESEARCH PROGRAM (NRP) – The NRP is designed to address the gaps and priorities in knowledge around issues of homelessness in Canada. The program works to: further increase the base of policy and community-relevant research; encourage and support research partnerships (with research and community organizations, other federal departments, and academic researchers); and facilitate the sharing of best practices and transfer of knowledge. By providing funding to partners to strengthen their capacity to develop a deeper understanding of homelessness, the NRP will help foster the development and assessment of appropriate and effective solutions to homelessness. This is vital to making efficient use of scarce resources and sustaining community efforts over the long term.

http://www.homelessness.gc.ca/initiative/nrp_e.asp

2005-2006 Expected results:

- *Enhanced community capacity to address homelessness.*

REGIONAL HOMELESSNESS FUND (RHF) – The RHF is designed to provide support to small and rural communities that are experiencing homelessness in their local areas, but often need to build greater capacity in order to respond to homelessness issues. Homeless individuals or those at risk of homelessness in smaller, isolated communities must often move to larger urban centres to access homeless-related supports and services. This in turn can place a burden on the service systems of these larger communities. The RHF provides funding to establish support services needed to prevent homelessness and to help stabilize the living conditions of at-risk individuals and families. The Fund also encourages a wide range of partnerships and takes the unique needs of youth populations into consideration in the planning and implementation process.

http://www.homelessness.gc.ca/initiative/rhf_e.asp

2005-2006 Expected results:

- *Comprehensive continuum of supports to help homeless Canadians move out of the cycle of homelessness and prevent those at-risk from falling into homelessness.*

SURPLUS FEDERAL REAL PROPERTY FOR HOMELESSNESS INITIATIVE (SFRPHI) – The SFRPHI provides surplus federal properties to communities across Canada to address their local homelessness-related needs through the HHB coordination. The homelessness projects, which must be financially viable and sustainable, help communities overcome the high capital costs of buying land or buildings. Government departments and agencies, which are encouraged to identify such properties, receive compensation at market value and transfer them – to community organizations, the not-for-profit sector and other orders of government – for a nominal cost to help alleviate and prevent homelessness. Additional funding for construction and renovation costs may also be available through related federal programs such as the SCPI and CMHC programs. Three Government of Canada organizations – Public Works and Government Services Canada, HRSDC/HHB, and CMHC – act as partners at the national and regional levels in implementing and managing this initiative.

http://www.homelessness.gc.ca/initiative/sfrphi_e.asp

2005-2006 Expected results:

- *Comprehensive continuum of supports to help homeless Canadians move out of the cycle of homelessness and prevent those at-risk from falling into homelessness.*

HOMELESSNESS: FINANCIAL AND HUMAN RESOURCES 2005-2006			
GROSS SPENDING (MILLIONS OF DOLLARS)	PLANNED SPENDING	AUTHORITIES	ACTUAL
Gross Operating Expenditures	38.5	34.2	31.7
Non-Statutory Grants & Contributions	141.1	177.5	140.2
Total	179.6	211.7	171.9
FULL TIME EQUIVALENTS	280^a	306	306

^a Excludes FTEs for Shared Services

HOMELESSNESS: DETAILS BY PROGRAMS AND SERVICES 2005-2006			
<i>Financial Resources (in millions of dollars)</i>			
	Planned Spending	Authorities	Actual Spending
Supporting Communities Partnership Initiative	132.9	158.2	127.9
Urban Aboriginal Homelessness	21.5	27.1	21.1
Regional Homelessness Fund	7.1	8.2	4.9
Surplus Federal Real Property for Homelessness Initiative	0.1	0.1	0.1
Homeless Individual and Families Information System	1.9	1.9	1.9
National Research Program	3.9	4.2	4.2
Allocated Corporate services ^a	12.2	11.7	11.5
Other ^b	-	0.3	0.3
Total	179.6	211.7	171.9
<i>Human Resources</i>			
Total FTE	280	306	306

^a Corporate Services resources related to the Minister's Office, the Deputy Minister's Office, the Comptroller's Office and the Shared Services have been prorated to each Strategic Outcome.

^b Other category is for resources which are not directly related to the sub-activities identified.

Strategic Outcome



Seamless, integrated and multi-channel service delivery that ensures client satisfaction

This strategic outcome is supported by national service delivery management, Regional Headquarters offices, the strategic policy and planning function, and communication activities.

HRSDC has a mandate to provide quality service to citizens and to support their full participation in the workplace and community. During 2005-2006, HRSDC and Social Development Canada (SDC) operated in a shared service delivery model where HRSDC delivered in-person services and SDC delivered telephone and Internet services. Since September 2005, the service delivery channels were delivered through Service Canada which continues efforts to improve service to citizens and work collaboratively with its partner departments to ensure progress on its priorities.

Strategic policy and planning is at the centre of the Department. It leads strategic policy analysis and development on current and emerging priorities based on policy research, audit and evaluation findings. It also manages relations with provinces, territories and international organizations.

HRSDC's activities are also supported by a communications function to ensure that Canadians are aware of the Department's policies, programs and services. The communications role is directed both outwards—seeking the views of Canadians on HRSDC activities and issues, and letting Canadians know about program and service changes, and inwards—communicating the public's views within the Department and within the Government of Canada.

In 2005-2006 key achievements included:

- Service Canada was formally launched in September 2005.
- A Service Charter was published, which explains to Canadians what they can expect from Service Canada and how they can provide feedback on the quality of service.
- In-person one-stop services were offered in over 416 points of service, which include Service Canada Centres, scheduled outreach sites, and community partners.
- Service Canada provided one-stop access to benefits and services on-line at www.servicecanada.gc.ca.
- Service Canada answered 56 million calls (approximately 80 per cent of all calls to the Government of Canada excluding those to Canada Revenue Agency and Canada Post).

Under HRSDC, indicators were program specific. Since the transition to Service Canada an emphasis has been placed on developing citizen-centred indicators. This included Service Canada assuming responsibility of the measurement and reporting of service delivery indicators as well as developing a more consistent framework for measuring the quality, speed and access of programs and services delivered on behalf of other departments.

PROGRAM INDICATORS**INDICATORS****Employment Insurance**

Percentage of initial and renewal claims finalized within 21 days from date of filing and 21 days of registration for revised claims.

Objective: 85%
Result: 73.4%

Percentage of initial and renewal claims for which a payment or a non-payment notification is given to the claimant within 28 days from date of filing.

Objective: 80%
Result: 80.9%

Percentage of appeals scheduled to be heard by the Board of Referees within 30 days of receipt of the appeal.

Objective: 90%
Result: 89.5%

Percentage of client appeal dockets received at the office of the Umpire within 60 days from date of appeal filing (date of receipt).

Objective: 100%
Result: 99.2%

Percentage of accurate Employment Insurance payments as measured by the Comprehensive Tracking System calculated on a 12 month moving average nationally.

Objective: 95%
Result: 95%

Percentage of validations of the Social Insurance Number of Employment Insurance applicants with the Social Insurance Registry.

Objective: 100%
Result: 98.4%

Savings from Employment Insurance detection activities.

Objective: \$210 M¹⁸
Result: \$250.6 M

NOTES

Meeting this internally driven indicator was prevented by unanticipated challenges with workloads. A more relevant indicator of delivering results to citizens is measured through Speed of Payment indicator (see below) which was surpassed in 2005-2006.

Savings came from Overpayments and Penalties assessed against Employment Insurance claimants as a result of fraud and abuse of benefits. These incidents were detected through Integrity benefit investigation activities.

¹⁸ In response to the Auditor General (November 2003 report) the department is taking a focused approach toward risk, quality and prevention of abuse in the payment of Employment Insurance benefits while continuing detection activities. As a result, the objective has been reduced to reflect only direct savings (overpayments and penalties) and no longer includes indirect savings. Lower penalty levels also drive the reduction.

PROGRAM INDICATORS (continued)	
INDICATORS	NOTES
<p>Employment Programs</p> <p>Number of employment programs clients served.</p> <p>Objective: 482,400¹⁹ Result: 441,239</p>	<p>This indicator is a forecast of the demand for the services of employment programs and, because of the performance of the labour market, demand for those services has been lower than expected. The national unemployment rate was 0.4 percentage point below that in 2004 and there was a decrease of around 70,000 active EI claimants in the general population compared to the previous year. This decrease also resulted in a decrease of the number of active claimants receiving assistance (-31,600 compared to the previous year).²⁰</p>
<p>Workplace Skills</p> <p>Client satisfaction with labour market information products and services — usefulness in conducting a job search.</p> <p>Objective: Survey results to be reported Result: 79% of the labour market information clients surveyed were either very satisfied or satisfied with labour market information products.</p>	<p>Source: Client Satisfaction Survey for Local Labour Market Information Products and Services, Spring 2005.</p>
<p>Learning</p> <p>Client satisfaction with the overall quality of services provided by the Canada Student Loans Program.</p> <p>Objective: Survey results to be reported Result: 75%</p>	
<p>Client (Registered Education Savings Plan Providers) satisfaction with the overall quality of services provided by the Canada Education Savings Grant.</p> <p>Objective: Survey results to be reported Result: Survey was not conducted due to changes arising from implementation of enhancements to the Canada Education Savings Grant and launch of the Canada Learning Bond in July 2005. Satisfaction survey of promoters will be conducted in 2006-2007. Survey results to be reported in 2006-2007.</p>	
<p>Supplementary information on these performance indicators can be found at: http://www11.hrsdc.gc.ca/en/cs/sp/hrsdccommun/cpa.shtml</p>	

¹⁹ There were an additional 51,728 Summer Career Placements participants served (number not included because it was obtained through a different methodology).

²⁰ Additional information: For Benefits and Support Measures (EBSMs), this was partially compensated by an offsetting increase (+22,300) in former claimants and non-insured clients served - there were 232,242 former claimants and non-insured clients served through EBSMs (number not included because of the Labour Market Development Agreement indicator) - but these two client types are not included in the program indicator. Only active claimants are included in this indicator (except for Quebec, where former claimants are also part of the indicator) and they constitute over 85% of the Clients Served indicator. The large proportion of claimants who now apply for EI online (*AppliWeb*) means that they are not as easily advised of the opportunity to access employment-related services. This has been addressed to a large extent by providing contact information to external service providers to enable them to reach out to claimants and offer their services. Also, *AppliWeb* messaging has been made available to advise claimants of the availability of employment programs, as part of a Service Canada Initiative service strategy for workers and employers.

Achievements Against Priorities

Priority: Ensure a sustainable in-person channel of the Service Delivery Network and align the network with service transformation initiatives.	
Plan	2005-2006 Achievements
Provide ongoing support to regional and local operations and monitor regional performance and levels of client satisfaction.	<ul style="list-style-type: none"> <input type="checkbox"/> An Office for Client Satisfaction was created to receive the views and feedback of Canadians on the quality of our service and recommend ways to improve. <input type="checkbox"/> A Client Comment Card was developed which will offer Canadians an opportunity to provide immediate comments on the service they received, suggest areas for improvement and compliment employees.
Lead initiatives to redesign the in-person channel of the Service Delivery Network and ensure its alignment with other service channels.	<ul style="list-style-type: none"> <input type="checkbox"/> A new client service model was developed to improve the in-person experience for Canadians. <input type="checkbox"/> Three bilingual Service Canada Centres in Manitoba that serve official language minority communities were transferred from Canadian Heritage to Service Canada.
Work to strengthen partnerships within Service Canada, such as the Service Canada and Passport Office partnership that improves access to Canadians applying for a passport. Extend the partnership with the Passport Office for an additional 12 months in the three Service Canada Service Centres; additional sites may be added if required and funding is available.	<ul style="list-style-type: none"> <input type="checkbox"/> Thirty-five Service Canada Centres across the country accepted and validated 40,000 passport applications. <input type="checkbox"/> Service Canada delivered an increasing number of services on behalf of Government of Canada departments and agencies, including Agriculture and Agri-Food Canada, Canadian Heritage, Canada Revenue Agency, Citizenship and Immigration Canada, Human Resources and Social Development Canada, Public Works and Government Services Canada, Transport Canada and Veterans Affairs.
Actively participate in the Ottawa Counters Project with the province of Ontario and the municipality of Ottawa to provide one-stop access to services among all orders of government.	The Government Service Centre (formerly known as the Ottawa Counters Project), a multi-jurisdictional walk-in centre where citizens can access information and services from all levels of government, was opened at Ottawa City Hall.
Coordinate Department-wide responses to incidents and/or emergencies with impacts on service delivery and lead initiatives that will improve incident management practices and tools to facilitate future management responses.	<ul style="list-style-type: none"> <input type="checkbox"/> Service Canada call centres developed a business continuity plan that incorporates both the ability for 1 800 O-Canada (general enquiries) to resume operations at an alternative site in the event of a crisis/emergency situation that reduces abilities to deliver services from its current location as well as the ability to reroute calls across the national network for specialized services. <input type="checkbox"/> Service Canada call centres have an established mechanism to rapidly implement incident specific information services to provide Canadians with timely information pertaining to crisis and emergency situations.
Priority: Lead the policy renewal process.	
Plan	2005-2006 Achievements
Develop human capital policy frameworks that encompass lifelong learning, the workplace skills strategy and labour market programming.	Prepared and published on the departmental intranet a human capital framework entitled, "Human Capital: Policy Challenges and Possible Directions" encompassing lifelong learning; the economic union; labour market participation; adjustment; and, income/economic security. Also prepared and published on the departmental intranet an accompanying piece entitled, <i>Human Capital: Diagnostique</i> which outlines trends, drivers and challenges for HRSDC's human capital agenda.

Priority: Lead the policy renewal process.	
Plan	2005-2006 Achievements
Highlight key conceptual shifts, priority areas for improving the learning system, and links between learning policy and the government's broader social and economic objectives.	The Department led a large inter-departmental work project on post-secondary education based on a new policy framework which integrated social and economic needs. There was a series of stakeholder consultations including roundtables on international education, global citizenship and research-learning linkages. These served to broaden the Department's policy frameworks on learning issues. As well, a cross-Canada consultation on literacy issues was conducted to lay the basis of a comprehensive strategy.
Develop a departmental multi-year research plan to fund external research of interest to HRSDC.	The Department developed its initial multi-year medium-term policy research plan. It identified the Department's research issues and priorities to guide the use of the central resources managed in the Policy Research and Coordination Directorate on behalf of the Department. The plan was validated with the Department's External Research Advisory Committee (ERAC). It facilitates the coordination of research activities across the Department and with other partners, and focuses the funding of research by external researchers, including that for the newly created Canadian Labour Market and Skills Researcher Network. The Plan is a living document and forms a foundation for ongoing discussions, revisions and future research activities.
Manage the departmental survey budget, ensuring the funding of surveys with reliable sources of information for policy, research and evaluation purposes.	The Policy Research and Coordination Directorate set up a Survey Management Committee (SMC) to set the strategic direction for the Department's management of the survey data portfolio. The committee forms departmental positions on the development and use of surveys and ensures that they remain responsive to evolving policy and program needs. The SMC is composed of representatives from the program and policy areas across the Department.
Priority: Improve performance measurement, integrated risk management and public reporting of the achievement of results.	
Plan	2005-2006 Achievements
Continue to strengthen and refine the Department's performance measurement framework by reviewing and revising the indicators related to strategic outcomes.	The Department continued to strengthen performance measurement framework by working with external experts and with the Labour and Homelessness programs to review and revise their performance indicators. Work also continued in other program branches to further refine their performance indicators and to build on the improvements made in 2004-05.
Continue to implement Integrated Risk Management (IRM) across the Department through a strategy to strengthen the practice of IRM and the continued support of senior management.	The Department continued to improve the development of risk information to inform the planning cycle and decision-making and initiated the development of a departmental risk registry. Branch Risk profiles were developed and corporate risks were identified as part of the departmental business planning exercise.
Priority: Implement new directions for Audit and Evaluation.	
Plan	2005-2006 Achievements
Carry out new risk-based audit and evaluation work plans.	Risk-based work plans for both audit and evaluation were developed and approved by the Audit and Evaluation Committee (AEC). The work plans allowed for an effective and efficient use of limited resources, focusing on the areas within HRSDC that had higher associated risks or mandated audit and evaluation requirements.
Implement the longer term Audit Work Plan which was developed using a risk-based approach to ensure the timely submission of audit reports.	The internal audit work plan was developed prior to the creation of Service Canada and the merger of the former HRSDC and SDC. These events affected the completion of projects identified but as the plan was risk-based this also allowed for the strategic selection of projects to be conducted. In addition, the carry-over of projects as appropriate (based on risks identified) to the new Human Resources and Social Development Transitional Audit Plan 2006-2007 was possible. The projects which were conducted provided relevant information and recommendations to senior management to allow for improvements within the Department.

**POLICY, PROGRAM AND SERVICE DELIVERY SUPPORT
FINANCIAL AND HUMAN RESOURCES 2005-2006**

GROSS SPENDING (MILLIONS OF DOLLARS)	PLANNED SPENDING	AUTHORITIES	ACTUAL
Gross Operating Expenditures	230.1	293.2	277.7
Non-Statutory Grants and Contributions	0.0	69.6 ^a	41.9 ^b
Total	230.1	362.8	319.6
FULL TIME EQUIVALENTS	1,088^c	2,107	2,107

^a The amount includes \$60 million for the Toronto Waterfront Revitalization Initiative.

^b The amount includes \$32.3 million for the Toronto Waterfront Revitalization Initiative.

^c Excludes Full Time Equivalents for Shared Services.

**POLICY, PROGRAM AND SERVICE DELIVERY SUPPORT:
DETAILS BY PROGRAMS AND SERVICES 2005-2006**
Financial Resources (in millions of dollars)

	Planned Spending	Authorities	Actual Spending
Service and Benefit Delivery Support	84.4	72.4	73.2
Strategic Policy and Planning	48.4	56.8	48.7
Communications	26.1	63.4	47.4
Allocated Corporate services ^a	71.2	88.5	86.8
Other ^b	-	81.7	63.5
Total	230.1	362.8	319.6
<i>Human Resources</i>			
Total FTE	1,088	2,107	2,107

^a Corporate Services resources related to the Minister's Office, the Deputy Minister's Office, the Comptroller's Office and the Shared Services have been prorated to each Strategic Outcome.

^b Other category is for resources which are not directly related to the sub-activities identified. It includes authorities of \$ 60 million and actuals of \$32.3 million for the Toronto Waterfront Revitalisation Initiative as well as authorities and actuals of \$ 7.8 million each for the World Urban Forum.



PERFORMANCE DISCUSSION BY STRATEGIC OUTCOME - SOCIAL DEVELOPMENT CANADA

Achievements Against SDC Departmental Priorities

2005-2006 Departmental Priority: Lead in the development of a social development policy framework and supporting knowledge plan that addresses the social development needs of Canadians.

This departmental priority is supported by Strategic Outcomes 1-5.

Departmental Plans:

- Develop a social development policy framework that identifies emerging issues and opportunities, reviews the potential role of governments, individuals and families, the marketplace, community organizations and other key stakeholders in addressing these issues and opportunities, and identifies priority areas where policy action by the Government of Canada, and SDC in particular, will be likely to add greatest value.
- Develop a knowledge plan to support the social development policy framework.

Achievements:

- The Department advanced one of its key priorities through the development of an *SDC Knowledge Plan* discussion paper which was a result of a corporate effort towards the development of an integrated strategy for creating and managing knowledge across the Department. The *SDC Knowledge Plan* laid the groundwork for identifying key gaps in social development data, information and knowledge systems, identifying research gaps and addressing the effective exchange of knowledge.
- Several knowledge initiatives were put in place through the implementation of the Knowledge Plan such as a knowledge governance structure; knowledge exchange mechanisms; expert roundtables in support of the implementation of the Department's research agenda and the development of data, information and knowledge strategies to advance sectoral priorities.

2005-2006 Departmental Priority: Lead on key Government of Canada social development policy commitments

Departmental Plans:

- Accelerate support for quality child care initiatives under the Multilateral Framework for Early Learning and Child Care.
- Extend the Understanding the Early Years pilot project to help at least 100 more communities gather information about their children's readiness to learn, as well as information in influencing factors and local supports.

Achievements:

- From January to March 2006 worked on a new approach to child care. Further information on Canada's Universal Child Care Plan is available in the 2006-2007 Human Resources and Social Development Report in Plan and Priorities.
- Agreements-in-Principle signed with nine provinces and signed multiyear funding agreements with three provinces in fall of 2005. No formal agreements were reached with the territories.
- Twenty-one communities started participating in the Understanding the Early Years Initiative in 2005 for a three-year period.

Departmental Plans:

- The Government of Canada identified actions related to the needs of persons with disabilities, including the federal government's need to work with its provincial and territorial counterparts to fill education, skills development and workplace support/accommodation gaps. As a follow-up to this commitment, \$30 million in funding was announced for Labour Market Agreements for Persons with Disabilities.

Achievements:

- These additional funds are now distributed annually to provinces, which sign a bilateral Labour Market Agreement for Persons with Disabilities, based on a resources allocation model which was developed in consultations with provincial officials.

Departmental Plans:

- Implementation of the New Horizons for Seniors Program.
- Increase the Guaranteed Income Supplement, which provides additional money, on top of the Old Age Security pension, to low-income seniors living in Canada.
- Improvements to existing tax-based support and additional initiatives for home-based informal caregivers.

Achievements:

- The New Horizons for Seniors Program (NHSP) has funded 613 projects in over 500 communities across Canada which support local efforts that encourage seniors to contribute to their communities through social participation and active living. In 2004-2005, NHSP worked with 230 communities and in 2005-2006, NHSP reached an additional 300 communities.
- Successful implementation of the first half of the Guaranteed Income Supplement increase.
- The Child Care component of the Social Development Partnerships Program provided funding in the fall of 2005 for nine projects under the last Call for Proposals. These projects focused on activities that enhance knowledge and demonstrate best practices on topics related to child care.

2005-2006 Departmental Priority: *Contribute towards improving citizen-centred service delivery.***Departmental Plans:**

- Continue to improve services and explore other innovations to provide high-quality, cost-effective services to Canadians.

Achievements:

- As part of Service Canada, an Office for Client Satisfaction was created to receive the views and feedback of Canadians on the quality of our service and recommend ways to improve.
- As a means to improve service to Canadians by crossing the government department 'borders', Service Canada began to deliver an increasing number of services on behalf of Government of Canada departments and agencies, including Agriculture and Agri-Food Canada, Canadian Heritage, Canada Revenue Agency, Citizenship and Immigration Canada, Human Resources and Social Development Canada, Public Works and Government Services Canada, Transport Canada and Veterans Affairs.
- The delivery of Employment Insurance, Canada Pension Plan and Old Age Security programs was improved by providing new online tools and access to account information.
- To reduce the number of instances that citizens are required to provide identical information to governments, a national model that will simplify the notification that citizens provide to governments of vital events information at birth, death and marriage was developed.

Departmental Plans:

- Introduce more automated services, improve current automated processes, and continue to simplify forms and processes to make it easier for Canadians to receive the programs, services and benefits to which they are entitled.

Achievements:

- Service Canada provided one-stop access to benefits and services online at www.servicecanada.gc.ca.
- Passport application forms were accessible for completion on the Service Canada website.
- Canadians were able to update their address, direct deposit and other information online related to their Canadian Pension Plan, Old Age Security and Employment Insurance files.
- Canadians were able to print Canadian Pension Plan Statement of Contributions and Old Age Security Information Slips using a Personal Access Code.
- Employment Insurance claimants were able to complete and submit their bi-weekly Employment Insurance reports on-line.

2005-2006 Departmental Priority: *Implement an organization with a focus on excellence, people, sound management and effective accountability aligned to the Management Accountability Framework.*

Achievements:

- Social Development Canada was committed to managing for excellence by focusing at every level on the effective management of resources for the achievement of results. This management agenda included four pillars that operationalize modern comptrollership into decision making: clear accountability systems, integrated performance information, appropriate control systems, and integrated risk management.
- In 2005 -2006 SDC, operating in context of constant change, and increased demand for stewardship and accountability, implemented a corporate process to enhance performance and strengthen management accountability through effective integration of management functions. SDC completed a comprehensive review of all corporate and administrative functions and processes in order to better target resources towards activities that will enable delivery on the Department's core social policy and program mandate. SDC developed an organizational strategy that restructured corporate functions to further strengthen the ongoing integration of planning, risk management, HR planning, resource management and performance monitoring.

2005-2006 Departmental Key deliverable:

Create a social development policy framework to identify and help address the social development needs of Canadians.

Departmental Plans:

- Develop a social indicator framework

Achievements:

- In 2005-2006, the Department developed an *SDC Social Indicators Framework* discussion paper to promote discussion across the Department on monitoring, identifying, building consensus and reporting on the state of social development in Canada, as well as the key factors influencing the well-being of citizens.
- Developed a preliminary compendium of social indicators.

Strategic Outcome



A Canada where the quality of life and inclusion for Seniors is enhanced and poverty alleviated through sustainable public pensions, benefits and supports

In 2005, 4.2 million Canadians were 65 years of age or older. These numbers are expected to reach 6.4 million in 2020 – or nearly one in five Canadians – making Seniors the fastest growing age group in Canadian society. For this reason, it is particularly important to ensure that we continue to work to address the needs and opportunities for this and future generations of seniors.

In 2005-2006, SDC continued to serve as the federal government focal point for policy, research and engagement activities related to the well-being of seniors. In addition, the Department was also responsible for the income support that seniors receive through the Canada Pension Plan (CPP) and the Old Age Security (OAS) benefit programs.

SDC engaged in a wider range of policy activities, research and programs to further advance this strategic outcome. With the establishment of the Seniors and Pensions Policy Secretariat within the Department, steps were taken to put in place the mechanisms necessary to develop a National Action Plan for Seniors, including the Federal/Provincial/Territorial Ministers Responsible for Seniors Forum, the Federal Interdepartmental Committee responsible for seniors, and an engagement strategy that reaches out to seniors and stakeholder organizations.

Key areas of accomplishment in 2005-2006 include:

- ❑ Early development of a National Action Plan for seniors. Initial work began with an engagement strategy with stakeholders as well as roundtable discussions on matters of importance to seniors.
- ❑ Established the Seniors Secretariat to coordinate efforts to define and address the issues and opportunities created by the growing seniors population.
- ❑ Continued policy development and analysis of Canada's public pensions, to ensure that they meet the needs of seniors in light of changing socio-economic factors, including work-to-retirement transition and changing social relationships.
- ❑ Through the CPP Triennial Review, participated in discussions with provinces to advance potential changes to the CPP.

Achievements Against Priorities

Priority: <i>Lead on seniors policy issues and programs on behalf of the Government of Canada.</i>	
Plan	2005-2006 Achievements
Work with partners to identify strategies and specific steps to better meet the changing needs of Canadian seniors.	<p>Advanced Canada's public pensions through ongoing program design and policy development to better meet the changing needs of Canadian seniors. Achievements include:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Successful implementation of the first half of the Guaranteed Income Supplement resulting in an increase of \$18 for single recipients and \$29 for couples <input type="checkbox"/> Introduction of the Energy Relief benefit of \$125 to GIS recipients. <input type="checkbox"/> The National Seniors' Secretariat was created and became operational. The necessary tools to undertake the development of an action plan for seniors were put in place. This included: <ul style="list-style-type: none"> • the creation of an interdepartmental committee responsible for seniors with representation from over 20 federal organizations; • both bilateral and multilateral Federal Provincial Territorial mechanisms (e.g. FPT Minister responsible for Seniors forum), and • the development and implementation of an engagement strategy with stakeholders. <input type="checkbox"/> Round table with senior's organizations in November 2005 focused on areas of interest in furthering plan development. <input type="checkbox"/> Online consultations to assess priority areas for seniors took place over the summer 2005.
Increase the number of agreements that Canada has with other countries that enable current and former residents of Canada to gain public pension credit for eligible employment in other countries	<p>Renegotiated and increased the number of international social security agreements (SSA) by:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Signing an agreement with Japan <input type="checkbox"/> Finalizing the renegotiation of the Canada-France SSA <input type="checkbox"/> Receiving agreement –in-principle to expand the SSA with Israel to include pensions <input type="checkbox"/> Beginning renegotiation of the Canada-Norway SSA <input type="checkbox"/> Developing the Orders-in-Council for the approval of the Latvian, Lithuanian and Estonian Agreements
Participate in the triennial review of the CPP.	<p>Provided leadership on pension policy through CPP Triennial Review process, involving the Department of Finance and provincial governments.</p>
As part of the Department's response to the recommendations of parliamentary committees and the Auditor General, the Department will continue ongoing efforts to ensure that persons eligible for CPP and OAS benefits are aware of how to apply for them.	<p>Strategies were developed to target priority populations that are difficult to reach through conventional means. Communities to focus on included: immigrants, aboriginals, the homeless, and persons with incapacities.</p>

Programs Supporting Priorities

Canada Pension Plan:

The Canada Pension Plan (CPP) is a federal-provincial social insurance pension plan, providing contributors and their families with a basic level of protection against loss of earnings due to retirement, disability or death. Funded mostly through compulsory contributions from employers and employees, CPP coverage extends to workers—including self-employed workers—throughout Canada, with the exception of Quebec where benefits are provided under the Quebec Pension Plan (Régime des Rentes du Québec).

<http://www.sdc.gc.ca/asp/gateway.asp?hr=en/isp/cpp/cpptoc.shtml&hs=cpr>

Old Age Security:

Old Age Security (OAS) benefits provide basic income to Canadian citizens and residents who meet age, residence and legal status requirements. It is financed from Government of Canada general tax revenues and indexed quarterly to the Consumer Price Index. Recognizing the difficult financial circumstances faced by many seniors, OAS provides additional income-tested benefits for low-income individuals, namely; the Guaranteed Income Supplement (GIS), the Allowance and the Allowance for the Survivor. The GIS is a monthly benefit available to OAS pensioners with little or no other income. The amount of the benefit is dependent upon marital status, residence and income. The Allowance is available to qualified 60- and 64-year-old spouses and common-law partners of OAS/GIS pensioners. The Allowance for the Survivor is available to low-income individuals aged 60 to 64 whose spouse or common-law partner is deceased and who have not re-married nor entered into a common-law relationship.

<http://www.sdc.gc.ca/asp/gateway.asp?hr=en/isp/oas/oastoc.shtml&hs=ozs>

INCOME SUPPORT: FINANCIAL AND HUMAN RESOURCES 2005-2006			
GROSS SPENDING (MILLIONS OF DOLLARS)	PLANNED SPENDING	AUTHORITIES	ACTUAL
Gross Operating Expenditures	408.0	376.6	354.3
Statutory Transfer Payments:			
Old Age Security	22,209.0	22,043.7	22,043.7
Guaranteed Income Supplement	6,315.0	6,476.5	6,476.5
Allowance	451.0	472.1	472.1
Energy Cost Benefits	-	210.5	210.5
CPP Benefits Payments ^a	21,529.1	21,603.9	21,603.9
Total	50,912.1	51,183.3	51,161.0
FULL TIME EQUIVALENTS	4,139	3,735	3,712

^a These benefit figures have been reduced by their estimated share of overpayments.

Strategic Outcome



A Canada where the social and economic participation of Persons with Disabilities is enhanced

SDC is the lead department for the Government of Canada on issues affecting people with disabilities. The Office for Disability issues provides a national focal point on disability within the Government of Canada, and promotes the full participation of people with disabilities in all aspects of society and community life. SDC builds awareness and engages partners, citizens, and Provincial and Territorial partners in order to improve disability policy and programming.

SDC also administers a variety of programs for people with disabilities. These programs include Labour Market Agreements for Persons with Disabilities, which provide provincial governments with \$222 million to support related provincial programming. The Opportunities Fund assists eligible people with disabilities to prepare for, obtain, and keep jobs or self-employment. In 2005-2006, this program provided \$26.75 million in funding. Through the Social Development Partnerships Program -- Disability Component, SDC supports non-profit organizations that are working to meet the social development needs of people with disabilities. In 2005-06, this program provided \$11 million in funding.

The enhanced social and economic participation of people with disabilities is also supported through the disability benefits that are payable to eligible individuals under the Canada Pension Plan. The Canada Pension Plan Disability Program (CPPD) is Canada's largest long-term disability insurance plan. In 2005-2006, \$3 billion in benefits were paid to 291,000 individuals and 84,000 of their children. Approximately 62,000 new applications were received in the same year. SDC manages one horizontal initiative²¹ in support of this strategic outcome: Labour Market Agreements for Persons with Disabilities.

During 2005-06, accomplishments included:

- The CPPD evaluation framework was developed and approved by the CPPD Evaluation Steering Committee.
- The Department released the Federal Disability Report 2005 in December 2005, and undertook a review with stakeholders to assess the relevance and effectiveness of the report.
- The Department participated in, and provided significant support and input to the Canadian delegation working on the United Nations Convention on Persons with Disabilities.

²¹ Details on this horizontal initiative can be found at: http://www.sdc.gc.ca/en/hip/odi/08_multilateralFramework.shtml

Achievements Against Priorities

Priority: <i>Lead in the development of an agenda for the participation and inclusion of persons with disabilities on behalf of the Government of Canada.</i>	
Plan	2005-2006 Achievements
Work toward coherent disability agendas within the Government of Canada and across all jurisdictions	<ul style="list-style-type: none"> <input type="checkbox"/> The Department released the Federal Disability Report 2005 in December, 2005. <input type="checkbox"/> Work with Federal Provincial Territorial partners to further disability issues in Canada and Ministers of Social Services identified disability issues as a priority for the forum over the next year.
Contribute to the development and negotiation of a United Nations convention to promote and protect the rights of people with disabilities.	The Department participated in, and provided significant support and input to the Canadian delegation working on the United Nations Convention on Persons with Disabilities.
Priority: <i>Enhance SDC programming in support of persons with disabilities</i>	
Plan	2005-2006 Achievements
Deliver a comprehensive continuum of return-to-work supports tailored to the individual needs of CPPD beneficiaries to help more CPPD clients work to their potential.	<ul style="list-style-type: none"> <input type="checkbox"/> Implemented a continuum of policy and program supports to assist CPPD beneficiaries return to work. e.g. Automatic Reinstatement of benefits which came into effect in January 2005. <input type="checkbox"/> In 2005-2006, approximately 1,800 CPPD clients returned to regular employment and stopped receiving benefits. Of these, 160 clients subsequently used the Automatic Reinstatement provision to have their disability benefits re-started due to a recurrence of their disability.
Pilot test a new telephone-assisted CPPD application process to provide Canadians with streamlined and comprehensive access to services.	Pilot testing of a new telephone-assisted CPPD application process was completed. Preliminary results highlight opportunities for streamlining and reducing administrative burden on CPPD applicants
Initiate the first comprehensive evaluation of CPPD since 1996 (to be completed in 2007-2008).	<ul style="list-style-type: none"> <input type="checkbox"/> The CPPD evaluation framework was developed and approved by the CPPD Evaluation Steering Committee. <input type="checkbox"/> Due to the complexity of the CPPD evaluation, it has been divided into two phases.
Implement and refine a new grants and contribution application that has better impact and outcomes targets, along with a new project development process.	<ul style="list-style-type: none"> <input type="checkbox"/> Provided effective management and leadership in expansion of SDC grants and contributions programs. <input type="checkbox"/> In 2005-2006, for Social Development Partnership Program – Disability calls for proposals were refined to include letters of intent and improved guidelines for applicants, including reference to the requirement for better outcome/results based targets. For Opportunities Fund (OF), the guide for applicants was significantly simplified in order to simplify organizations' task of preparing their proposal.

Programs Supporting Priorities

Canada Pension Plan – Disability:

CPP Disability is an earnings replacement program providing a monthly benefit payable to contributors who meet the minimum contributory requirements and whose disability is “severe and prolonged,” as defined in the legislation. Children of disabled contributors are eligible for a flat-rate monthly benefit, up to the age 18, or 25 if in full-time attendance at school.

<http://www.sdc.gc.ca/asp/gateway.asp?hr=en/isp/cpp/summary.shtml&hs=cdp>

Labour Market Agreements for Persons with Disabilities (LMAPD):

As of April 1, 2004, the federal-provincial Labour Market Agreements for Persons with Disabilities replaced the Employability Assistance for People with Disabilities initiative (EAPD). Through these bilateral agreements with all provinces, the Government of Canada contributes funding to provincial programs and services that will improve the employment situation of Canadians with disabilities by enhancing their employability, increasing the employment opportunities available to them, and building on their existing knowledge base.

http://www.sdc.gc.ca/en/hip/odi/08_multilateralFramework.shtml

Opportunities Fund for Persons with Disabilities:

The Opportunities Fund (OF) is a contributions program designed to assist people with disabilities to prepare for and obtain employment or self-employment as well as to develop the skills necessary to maintain that new employment. In addition, the OF administers contributions to national and regional projects to support partnerships and innovative approaches for integrating individuals with disabilities into employment or self-employment and for addressing barriers to an individual's labour market participation.

http://www.sdc.gc.ca/en/epb/sid/cia/grants/of/desc_of.shtml

Social Development Partnerships Program – Disability:

The Social Development Partnerships Program Disability component (SDPP-D) is a broad-based multi-year grant and contribution program that seeks to advance the Government of Canada's disability agenda by promoting the full participation of Canadians with disabilities in learning, work and community life through projects and organizations within the disability community. The disability component of the Social Development Partnerships Program (SDPP-D) supports research that promotes awareness of issues that relate to people with disabilities and their families. The program also promotes the generation, dissemination and application of knowledge, innovative solutions and best practices. The Office for Disability Issues administers the disability component of the Social Development Partnerships Program which is described in detail under Strategic Outcome 3: A Canada where vibrant and inclusive communities meet the social development needs of Canadians.

<http://www.sdc.gc.ca/en/hip/odi/sdppd/sdppd.shtml>

INCLUSION AND PARTICIPATION: FINANCIAL AND HUMAN RESOURCES 2005-2006			
GROSS SPENDING (MILLIONS OF DOLLARS)	PLANNED SPENDING	AUTHORITIES	ACTUAL
Gross Operating Expenditures	114.6	125.6	114.4
Non-Statutory Grants and Contributions ^a	254.7	245.2	243.4
CPP Disability Benefits ^b	3,323.0	3,372.9	3,372.9
Total	3,692.3	3,743.7	3,730.7
FULL TIME EQUIVALENTS	1,185	1,200	1,200

^a Excludes Grants and Contributions resources related to the disability component of Social Development Partnership Program. These are included in Strategic Outcome Vibrant Communities.

^b These benefit figures have been reduced by their estimated share of overpayments.

Strategic Outcome



A Canada where vibrant and inclusive communities meet the social development needs of Canadians

In recent years, the Department has increasingly recognized that communities are a pillar of social development and that vibrant and inclusive communities foster the social well-being of their citizens. Also recognized are the contributions that local, regional and national non-profit organizations make to communities and to identifying innovative, effective responses to social issues – generating insights from which other communities can learn.

Social Development Canada focuses on its responsibility for overall policy and program activities to strengthen the non-profit sector and support the social development work of non-profit organizations, and fosters community-based initiatives that promote partnerships and collaborations to address the needs and promote the full inclusion of people with disabilities, children and families, and seniors. SDC manages one horizontal initiative²² in support of this strategic outcome: Voluntary Sector Initiative.

Key accomplishments in 2005-2006 include:

- In May 2005, introduced a new Voluntary Sector Strategy as an ongoing element of the work begun in 2000 to strengthen non-profit sector organizations.
- Launched Interdepartmental Task Force on Community Investments.
- Launched collaborative learning initiatives to increase federal knowledge of community development issues and to build 'learning networks' with federal, provincial and municipal partners.
- The Call for Proposals for an expanded Understanding the Early Years (UEY), held in spring 2005, resulted in twenty-one new communities approved for funding.
- New Horizons for Seniors Program (NHSP) was expanded which led to the funding of 613 projects implemented in February 2006.
- Funded nineteen new projects that focused on creating and testing community projects to support children and their families living disadvantaged circumstances through the Social Inclusion component of the Social Development Partnerships Program (SDPP). These all began by November 2005.
- The SDPP Child Care component provided funding in the fall of 2005 for nine projects. These projects focused on activities that enhance knowledge and demonstrate best practices on topics related to child care.

²² Details on this horizontal initiative can be found at: <http://www.vsi-isbc.ca/eng/index.cfm>

Achievements Against Priorities

Priority: <i>Lead in the development of community capacity to respond to local social issues.</i>	
Plan	2005-2006 Achievements
Expand the Understanding the Early Years (UEY) initiative to cover up to 100 communities over seven years (2004-2005 to 2010-2011), beginning with a call for proposals the identification of up to 25 new UEY communities beginning in 2005-2006.	The first Call for Proposals for an expanded UEY held in spring 2005, resulted in twenty-one new communities being approved for funding in the fall of 2005
Implement funding under the New Horizons for Seniors Program for projects designed to enhance the participation of seniors in their communities	Implemented expansion of the NHSP which led to the funding of 613 projects in February 2006.
Continue to act on our commitment under the Official Languages Action Plan to strengthen the capacity of national non-governmental organizations to promote linguistically and culturally sensitive early learning and child care policies, programs and services for families in official-language minority communities.	Held a consultation in June 2005 to seek advice from national francophone non-profit organizations involved in promoting early childhood development for families in official language minority communities on priorities to guide a Call for applications in 2006.
Work with the voluntary sector, provincial and territorial governments, communities and other partners to identify how we can build a more coherent approach for community capacity building.	<ul style="list-style-type: none"> <input type="checkbox"/> New framework for community dialogue, innovation and horizontal collaboration for the Voluntary Sector strategy was approved; scanning was conducted across the Department and a draft Model Department Action Plan for collaboration with the sector was completed. <input type="checkbox"/> Launched the Voluntary Sector Awareness Project in spring 2005; and supported further development of the Voluntary Gateway Portal. <input type="checkbox"/> Established network of federal partners focused on issues in communities and held an interdepartmental meeting of senior officials to identify next steps. <input type="checkbox"/> Focused on shared learning of 'joined-up' projects related to collaboration policy, comprehensive community development and citizen engagement.
Create the Task Force on Community Investments to achieve more consistent and coherent funding practices across the Government of Canada and seamless, horizontal approaches to community investments.	Launched the Task Force on Community Investments, including requisite staffing, establishment of an interdepartmental governance structure, creation of an External Advisory Group drawn from voluntary sector, and completion of Phase I research on federal government funding practices.
Build relationships with organizations in the non-profit sector.	Launched call for Proposals in winter 2005 that led to the approval of nine child care projects and nineteen social inclusion projects through the Social Development Partnerships Program.

Programs Supporting Priorities

Social Development Partnerships Program: The Social Development Partnerships Program is a nationally delivered grant and contribution program. The program provides funding to a broad range of non-profit and voluntary sector organizations. It funds organizations in support of broader initiatives such as the Government of Canada's Disability Agenda, (for more information, please see Strategic Outcome #2: A Canada where the social and economic participation of Persons with Disabilities is enhanced) and the Voluntary Sector and Understanding the Early Years initiatives. Overarching program objectives are to: Increase the effectiveness of the non-profit sector in meeting the social development needs and aspirations of persons with disabilities, children and their families, and other vulnerable or excluded populations in Canada; and improve the quality and responsiveness of governments' social policies and programs.

http://www.sdc.gc.ca/en/hip/sd/05_SDPP.shtml

Voluntary Sector Initiative: The Voluntary Sector Initiative (VSI), which ended its formal mandate in March 2005, was a unique five-year undertaking to strengthen the relationship between the Government of Canada and the voluntary sector, and to strengthen the sector's capacity to better serve Canadians. The Voluntary Sector Initiative was replaced by the Voluntary Sector Strategy in 2005.

<http://www.vsi-isbc.ca/eng/index.cfm>

Voluntary Sector Strategy (VSS): a four year project which started in May 2005, will work to put in place a new framework for community-based collaboration and innovation with the voluntary sector to improve the economic and social well-being of Canadians. Web presence to be established.

New Horizons for Seniors Program: The New Horizons for Seniors Program (NHSP), launched in 2004-2005, provides project funding to community-based organizations for projects led by or involving seniors which encourage seniors to contribute to their communities through social participation and active living. An early implementation review has been started.

<http://www.sdc.gc.ca/en/isp/horizons/toc.shtml>

Understanding the Early Years: The Understanding the Early Years (UEY) initiative provides funding and tools to help communities collect information on family and community factors that affect child development, and on the availability of local resources to support families with young children. The initiative also supports community mobilization to collectively act on the information and to foster partnerships among community groups to make decisions about the best policies and programs for young children to thrive.

http://www.sdc.gc.ca/en/hip/sd/300_UEYinfo.shtml

VIBRANT COMMUNITIES: FINANCIAL AND HUMAN RESOURCES 2005-2006			
GROSS SPENDING (MILLIONS OF DOLLARS)	PLANNED SPENDING	AUTHORITIES	ACTUAL
Gross Operating Expenditures	24.7	27.7	21.4
Non-Statutory Grants and Contributions ^a	42.4	47.8	46.1
Total	67.1	75.5	67.5
FULL TIME EQUIVALENTS	149	169	169

^a Includes Grants and Contributions resources related to the disability component of Social Development Partnership Program which is discussed under Strategic Outcome Inclusion and Participation.

Strategic Outcome



A Canada where the capacities of Individuals, Children, Families, and Communities are strengthened in order to promote social inclusion, participation and well-being

The Government of Canada recognizes that families are the building blocks of a society, and that child care is a priority for Canadian families. We are committed to providing parents with resources to help balance work and family life, and letting them choose what is best for their children.

To that end, Canada's Universal Child Care Plan represents a new approach to child care that respects the role of parents in determining how best to care for their children and recognizes the responsibility of provincial and territorial governments for delivering child care services.

In 1999, the Government of Canada, in partnership with provincial and territorial governments, began work on a National Children's Agenda. This Agenda sets out a vision in which all of Canada's children have the best possible opportunity to develop to their full potential as healthy, successful, and contributing members of society. Coinciding with this work was the emergence of a strong body of research noting that the early years establish the foundation for the competence and coping skills that will affect learning, behaviour and health in later life. Based on this research, federal, provincial and territorial governments identified early childhood development as a key area for action, and, more recently, have focused on early learning and child care.

Governments recognize that to secure a vibrant and productive society, the well-being of children is crucial. Through investments in key initiatives, participating governments have agreed to policy objectives that will enhance the well-being of children and the economic security of individuals as well as families with children. The Department is responsible for federal leadership on these initiatives and is actively involved in facilitating learning and reporting on results under all of them. SDC manages three horizontal initiatives²³ in support of this strategic outcome including: National Child Benefit, Federal-Provincial-Territorial Early Childhood Development Agreement and Federal-Provincial-Territorial Multilateral Framework on Early Learning and Childcare.

²³ Details on these horizontal initiatives can be found at:
http://www.nationalchildbenefit.ca/home_e.html
<http://www.ecd-elcc.ca>
http://www.ecd-elcc.ca/en/ecd/ecd_home.shtml

Key accomplishments for 2005-2006 included:

- On-going implementation of the Early Childhood Development Agreement and the Multilateral Framework on Early Learning and Child Care, including monitoring of and reporting on activities and expenditures
- On-going policy work on policy related to child care
- The National Child Benefit Supplement for low-income families with children increased by approximately \$185 per child. This brings maximum National Child Benefit Supplement benefits for a two-child family to \$3,224 in 2005-06.
- Federal, provincial and territorial governments released the sixth annual National Child Benefit Progress Report in November 2005, as well as jointly released the National Child Benefit evaluation, a key accountability commitment under this initiative.

Achievements against priorities

Priority: <i>Lead in the efforts related to a new initiative to improve and expand early learning and child care in Canada on behalf of the Government of Canada.</i>	
Plan	2005-2006 Achievements
Continue to work with provincial and territorial counterparts to develop a new initiative to improve and expand early learning and child care across the country.	<ul style="list-style-type: none"> <input type="checkbox"/> Agreements-in-Principle were reached with nine provinces and multiyear funding agreements were signed with three provinces. No formal agreements were reached with the territories. <input type="checkbox"/> The period from January – March 2006 was spent working on a new approach to child care. Further information on Canada's Universal Child Care Plan is available in the 2006-2007 Human Resources and Social Development Canada Report on Plans and Priorities.
Provide policy advice on the development of a complementary Aboriginal strategy on early learning and child care, in partnership with Indian and Northern Affairs Canada, Health Canada and Human Resources and Social Development Canada.	Launched interdepartmental discussions and negotiations. Secured \$45 million for the First Nations and Inuit Child Care Initiative.
Priority: <i>Develop policy options to support family/informal caregivers of seniors and persons with disabilities.</i>	
Plan	2005-2006 Achievements
Work closely with the provincial and territorial governments, as well as with other federal departments and stakeholders, to develop a comprehensive strategy to support home-based informal caregivers of seniors and persons with disabilities.	Extensive consultations with stakeholders and provincial/territorial governments took place in 2005-2006.

Programs Supporting Priorities

The Government of Canada works with the governments of the provinces and territories on three major initiatives to support children and their families.

The **National Child Benefit (NCB)** initiative is a key commitment in helping to ensure that children in low-income families are supported in achieving their full potential. The National Child Benefit is a partnership among federal, provincial and territorial governments, including a First Nations component, which provides income support, as well as benefits and services, to low-income families with children. The National Child Benefit aims to: 1) help prevent and reduce the depth of child poverty; 2) promote attachment to the labour market by ensuring families are always better off as a result of working; and 3) reduce overlap and duplication by harmonizing program objectives and benefits and simplifying administration. Under this initiative, the Government of Canada provides income support to low-income families with children through the NCB Supplement. Maximum National Child Benefit Supplement benefits for a two-child family were \$3,224 in 2005-2006. The Department is responsible for policy development with respect to the National Child Benefit, and its Minister represents the Government of Canada in this federal/provincial/territorial initiative.

<http://www.nationalchildbenefit.ca>

Through the **Early Childhood Development Agreement**, federal, provincial and territorial governments have committed to improving and expanding early childhood development supports for young children—prenatal to age six—and their parents. The Government of Canada transfers \$500 million per year, via the Canada Social Transfer, to provincial and territorial governments to improve and expand programs and services in four key areas: promoting healthy pregnancy; birth and infancy; improving parenting and family supports; strengthening early childhood development, learning and care; and strengthening community supports.

<http://www.ecd-elcc.ca>

The objectives of the federal, provincial and territorial **Multilateral Framework on Early Learning and Child Care** are to promote early childhood development and support the participation of parents in employment or training by improving access to affordable, quality early learning and child care programs and services. In 2003-2004, the Government of Canada began transferring \$1.05 billion over five years through the Canada Social Transfer to support provincial and territorial government investments in early learning and child care.

The **Child Disability Benefit (CDB)** is paid by the Canada Revenue Agency as a monthly supplement to the Canada Child Tax Benefit and Children's Special Allowances payments to low- and modest-income families with a severely disabled child. SDC participated in the development of the CDB and is involved in its ongoing implementation.

The Department also plays a key role, on behalf of the Government of Canada, in the development and exchange of knowledge, information, and best practices related to children and their families.

INVESTMENTS IN CHILDREN AND FAMILIES: FINANCIAL AND HUMAN RESOURCES 2005-2006			
GROSS SPENDING (MILLIONS OF DOLLARS)	PLANNED SPENDING	AUTHORITIES	ACTUAL
Gross Operating Expenditures	4.4	4.6	2.3
Total	4.4	4.6	2.3
FULL TIME EQUIVALENTS	23	-	-

Strategic Outcome



A Canada where service delivery is focused on citizen needs

The Government of Canada has made a priority of a more effective and responsive delivery of services to Canadians. Departments are expected to achieve a more citizen-centred service that meets the needs of individuals well, while controlling costs and using new technologies effectively. As a department responsible for some of the Government's largest income benefit programs, Social Development Canada was in the forefront of identifying new and better ways to meet the needs of the Canadians who deal with us, while meeting the expectations that we will deliver the right benefits to the right people in the most appropriate ways possible.

During 2005-2006, SDC's service delivery mandate evolved rapidly. For part of fiscal year 2005-2006, SDC delivered services in support of its programs as well as those of Human Resources and Skills Development Canada (HRSDC). The Department managed the in-person channel of the Service Canada Initiative, a horizontal initiative whose mandate is to provide Canadians with one stop access to a wide range of Government of Canada services along with several federal partners. As well, it also managed the administration of the Social Insurance Number (SIN) and the Social Insurance Register (SIR). Service Canada assumed the management of the SIN and SIR in September 2005.

Under SDC, indicators were program specific. Since the transition to Service Canada an emphasis has been placed on developing citizen-centred indicators. This included Service Canada assuming responsibility of the measurement and reporting of service delivery indicators as well as developing a more consistent framework for measuring the quality, speed and access of programs and services delivered on behalf of other departments.

INDICATORS	NOTES
Percentage of CPP retirement benefits paid within the first month of entitlement Objective: 85% Result: 91%	The objective was consistently surpassed as a result of strong national workload management which prioritized new benefit applications to ensure that payments were made on time.
Percentage of OAS benefits paid within the first month of entitlement Objective: 90% Result: 94%	The objective was consistently surpassed as a result of strong national workload management which prioritized new benefit applications to ensure that payments were made on time.

INDICATORS	NOTES
<p>Speed of Service</p> <p>Percentage of all CPP Disability initial application decisions made within 120 calendar days of receipt of completed application</p> <p>Objective: 75%</p> <p>Result: 71%</p>	<p>In 2004-05, a backlog in CPP Disability workload developed as a result of increased volume. This was compounded by the implementation of new initiatives, procedural changes; and labour issues and resulted in the objective not being met in 2005-06. However, with the application of an aggressive recovery strategy the backlog is now resolved and the objective has been met or exceeded each month since December 2005.</p>
<p>Percentage of all CPP Disability reconsideration decisions made within 120 calendar days of receipt</p> <p>Objective: 70%</p> <p>Result: 69%</p>	<p>In 2004-05, a backlog in CPP Disability workload developed as a result of some regional increases in application volumes. This was compounded by the implementation of new initiatives, procedural changes; and labour issues and resulted in the objective not being met in 2005-06. However, with the application of an aggressive recovery strategy the backlog is now resolved and the objective has been met or exceeded each month since December 2005.</p>
<p>Percentage of callers answered by a service delivery agent within three minutes</p> <p>Objective: 95%</p> <p>Result: OAS and CPP:93% EI: 58%</p>	<p>EI Call Centres agents responded to 6.4 million calls, 58% within the target of 180 seconds. New service offerings and service enhancements contributed to an increase of 21 seconds per call which resulted in capacity and access issues.</p>
<p>Timely production of payment files in support of all payments to Canadians</p>	<p>O: 95% R: Not measured in 2005-2006</p>
<p>Availability of automated service channels to Canadians* * (Now called 24/7 availability of Service Canada Internet site: to appear in 2006-2007 RPP)</p>	<p>O: 94% R: Not measured in 2005-2006</p>
<p>Supplementary information on these performance indicators can be found at: http://www11.hrsdc.gc.ca/en/cs/sp/hrsdccommun/cpa.shtml</p>	

Achievements against priorities

Priority: <i>Enhance the development of a horizontal, citizen-centred approach to service through new models of direct delivery, while ensuring the integrity of social programs.</i>	
Plan	2005-2006 Achievements
Continue to provide leadership and support in the design, development and implementation of a horizontal, citizen-centred approach to our program service delivery during 2005-2006.	<input type="checkbox"/> The management practices of call centres (1 800 O-Canada, Employment Insurance, Canada Pension Plan and Old Age Security) were integrated to ensure that consistent information and services were available.
Build on recent actions to re-engineer our service delivery to Canadians to generate a more positive experience for the people who turn to SDC for programs and services.	The delivery of Canada Pension Plan and Old Age Security programs was improved by providing new online tools and access to account information.
Explore and introduce solutions to simplify and automate our internal processes and to reduce SDC operational costs.	A resource allocation model for call centres was developed.
Continue to explore how best to move toward a common information base to serve many programs, with full attention to privacy and security of information.	Additional progress was made to move toward a common information base to serve many programs such as implementing a SIN National Quality Framework, developing SIN Use Policy options as well as a SIN Code of Practice and installing an Online Authentication infrastructure
Continue to identify and act on ways to improve the integrity of the Social insurance Number (SIN) system, including working toward establishing the SIN as the foundation for common client identity and citizen relationship management for government programs.	<input type="checkbox"/> Piloted SIN rapid access, whereby individuals can apply and receive their SIN in one visit, including front-line training and certification in identity management. <input type="checkbox"/> Completed proposals to allow the accurate identification and authentication of citizens between jurisdictions in concert with provinces and other departments. <input type="checkbox"/> An Independent Review of the Social Insurance Registry (SIR) as well as work with Office of the Auditor General on 2006 SIN/SIR audit was initiated. The Office of the Privacy Commissioner was also engaged on SIN use.
Enhance data exchange with other federal departments and with provincial and territorial government departments that track vital events such as births and deaths.	<input type="checkbox"/> A national model that will simplify the notification that citizens provide to governments of vital events information such as birth and death was developed. <input type="checkbox"/> Implemented Ontario-Canada New Born Registration Service whereby the birth of a child would trigger key documents such as birth certificates and Social Insurance Number cards.
Finalize the design of service offerings, initially for persons with disabilities, with other work focussed on service offerings for seniors	Persons with disabilities <input type="checkbox"/> The ten most used forms were re-designed for the Web. <input type="checkbox"/> A National Tele-Typewriter service (Telecommunication Device for the Deaf) at 1-800-926-9105 was established. <input type="checkbox"/> A guide, entitled, <i>Services for People with Disabilities: Guide to Government of Canada Services for People with Disabilities and their Families</i> , outlining available programs and services was published.

	<p>Seniors</p> <ul style="list-style-type: none"> <input type="checkbox"/> A guide entitled <i>Services for Seniors: Guide to Government of Canada Services for Seniors and their Families</i>, outlining available programs and services was published. <input type="checkbox"/> The Guaranteed Income Security (GIS) and the provincial Guaranteed Annual Income System (GAINS) benefits were delivered in Saskatchewan. This will help seniors track their payments more easily and eliminate the duplication of notifications when their circumstances change.
Test the design of an information tool to assist service delivery staff to provide accurate, timely and appropriate information to clients with disabilities about programs and services.	<ul style="list-style-type: none"> <input type="checkbox"/> An information tool was developed for delivery staff. <input type="checkbox"/> Service delivery staff was trained on how to support citizens with disabilities with an emphasis applied to the identification of available programs and services as well as what delivery staff can do to support accessibility and accommodation needs.
Improve service to ensure that all channels of service delivery work in an integrated way, by training staff and introducing a new toolkit to allow them to easily access information about other federal and provincial programs, as well as work with other government departments and jurisdictions to coordinate efforts in the interest of improving service to citizens.	<ul style="list-style-type: none"> <input type="checkbox"/> Service delivery staff was trained on the use of the various web sites (canada.gc.ca, servicecanada.gc.ca, Provincial and Municipal sites, Canadian Almanac online) to access information on available programs and services available from governments at federal, provincial and municipal levels as well as from other community based organizations.
Offer more services online and promote these services as part of a larger effort to expand the use of our self-service options.	<ul style="list-style-type: none"> <input type="checkbox"/> Passport application forms were accessible for completion on the Service Canada website. <input type="checkbox"/> Canadians were able to update their address, direct deposit and other information on-line including Canadian Pension Plan, Old Age Security and Employment Insurance. <input type="checkbox"/> Canadians were able to print Canada Pension Plan Statement of Contributions, Old Age Security and Employment Insurance Tax Information Slips using a Personal Access Code. <input type="checkbox"/> Employment Insurance claimants were able to complete and submit their bi-weekly Employment Insurance reports on-line.
Enable the delivery of benefits and services to Canadians, as well as our transformative initiatives, through proactive, secure and reliable information technology services.	<ul style="list-style-type: none"> <input type="checkbox"/> Began implementation of the New Generation Network, an emerging computer network architecture and technology. <input type="checkbox"/> Completed the implementation of Gigabit Ethernet Services in the Moncton Information Technology Centre which will enable the on-line services demands, such as Voice over Internet Protocol and enhanced video conferencing.
Introduce a Performance Measurement Framework that will enable us to define priorities, measure results and determine corrective actions in a consistent and balanced way to identify savings that can be applied to meeting additional opportunities to improve service to Canadians.	<ul style="list-style-type: none"> <input type="checkbox"/> An integrity risk management strategy and plan were established for risk-shared audits in accordance with Treasury Board policies. <input type="checkbox"/> Service Canada put in place an <i>Integrity and Risk Management Committee</i> to oversee the development and execution of the Service Canada integrity and risk management plans and priorities in support of strengthening the integrity of services and benefit payments to Canadians. <input type="checkbox"/> Resource Management Committee comprised of Assistant Deputy Ministers, the Chief Financial Officer, and Comptroller assessed funding requests and budget allocations allowing for a consistent and strategic utilization of limited resources.

Programs Supporting Priorities

Program Service Activity:

The resources under this strategic outcome during 2005-2006 were focused on SDC's responsibility to manage:

- ❖ telephone services through a network of call centres;
- ❖ Internet-based services; and
- ❖ mail services provided by SDC processing centres that receive and deal particularly with completed applications for Canada Pension Plan and Old Age Security services and benefits, appeals and other client service situations.

SERVICE INNOVATION: FINANCIAL AND HUMAN RESOURCES 2005-2006

GROSS SPENDING (MILLIONS OF DOLLARS)	PLANNED SPENDING	AUTHORITIES	ACTUAL
Gross Operating Expenditures	60.8	138.8	129.3
Total	60.8	138.8	129.3
FULL TIME EQUIVALENTS	811	1,551	1,551

EFFECTIVE CORPORATE SERVICES

Social Development Canada's (SDC), corporate services supported the achievement of all of SDC's strategic outcomes and served to meet the expectations of Canadians and Parliament. Some services, including policy, communications, ministerial services, governance and management activities, had priorities that are directly integrated into departmental policy, program and service directions.

The corporate services environment in SDC experienced significant change in 2005-06 as a result of the approval of Service Canada in May 2005, and the subsequent integration of SDC and Human Resources and Skills Development Canada (HRSDC) in February 2006. As in 2004-05, prior to the launch of Service Canada, SDC was responsible for providing shared corporate services to both SDC and HRSDC, including Financial and Administrative Services, Information Technology and Human Resources.

In this alignment, SDC computer systems services enabled both SDC and HRSDC to process transactions, including benefit payment programs to Canadians and responding to requests for services or information. Further, through the shared services, SDC held the responsibility for the collection of money owed to the Crown until August 2005, which included financial collections activity for the \$2.7 billion in debt that we managed from SDC and HRSDC programs.

In May 2005, Service Canada was assigned the responsibility for delivering Shared Transactional Services to SDC (and HRSDC), in corporate services areas such as human resources, information technology and administrative services, including accommodations. SDC in partnership with HRSDC and Service Canada have developed service level commitments and/or deliverables and applicable service standards.

In February 2006, SDC and HRSDC were integrated to form Human Resources and Social Development Canada. The integration prompted an internal reorganization to ensure the effective delivery of strategic corporate services. The Human Resources and Corporate Management Branch was created in late February 2006 to promote the achievement of Departmental objectives through the delivery of effective, innovative and client-focused human resources and corporate management services. The Public Affairs and Ministerial Services Branch was created at the same time to provide communications and ministerial services, including over 700 Governor in Council appointments.

Achievements Against Priorities

Priority: <i>Implement an organization with a focus on excellence, people, sound management, enhanced stewardship and comptrollership, and accountability aligned to the Management Accountability Framework</i>	
Plan	2005-2006 Achievements
Ensure a fair, enabling, healthy and safe workplace through ongoing implementation and communication of key human resource policies, including our implementation of the new <i>Public Service Modernization Act</i> , which introduces various staffing and labour relations reforms, as well as informal conflict resolution.	<ul style="list-style-type: none"> <input type="checkbox"/> Both HRSDC and SDC continued to recognize the importance of ensuring the development of a strong, values and ethics-based organization, with a skilled staff and a representative workforce. In support of this, both SDC and HRSDC held departmental conferences to ensure strong linkages, and to promote leadership and open communication. <input type="checkbox"/> The implementation of the <i>Public Service Modernization Act</i> included the provision to managers, human resources advisors, unions and employees, of regular information and updates, along with targeted learning sessions for key personnel. Further, an Informal Conflict Management System was established following consultations with the unions, while both Departments met the essential requirements of the <i>Public Service Employment Act</i> prior to December 31, 2005.
Offer values-and-ethics activities that help managers and staff make informed and thoughtful choices in what are often complex situations.	<ul style="list-style-type: none"> <input type="checkbox"/> SDC and HRSDC each developed a Values & Ethics framework and continued to reinforce values and ethics as the basis of actions. Each Department developed and distributed values and ethics tools such as communiqués, held workshops for managers and staff, and integrated these issues into departmental orientation sessions, management development courses, and into the performance and learning agreements for non-executive staff. <input type="checkbox"/> For Human Resources Management, SDC and HRSDC developed departmental accountability frameworks in accordance with the People Management Accountability Framework (People MAF). Departmental performance against the majority of the People MAF indicators will be reviewed through the results the Public Service Employee Survey (PSES). Further, an action plan was developed to build improved monitoring and reporting capacity, reinforce the roles of the various human resources functional areas, and streamline the reporting process.
Continue to promote the use of both official languages in the workplace and work to meet targets for the percentage of members of visible minorities in our workforce.	<ul style="list-style-type: none"> <input type="checkbox"/> At the end of 2005-2006, 67% of all positions in the new Human Resources and Social Development Canada had been identified as bilingual, with 87% of employees meeting the language requirements of their substantive positions. As waiting periods to take language training had been identified as a challenge, a number of branches offered part-time language training to alleviate extended delays. In SDC and the former HRSDC, a variety of strategies were implemented which contributed to creating a respectful workplace and facilitating the delivery of services to clients in the language of their choice. <input type="checkbox"/> As of March 31, 2006, the new Human Resources and Social Development Canada met and exceeded the expected representation targets for three of the four Employment Equity target groups at the national level, falling just short of targets for the visible minorities group.

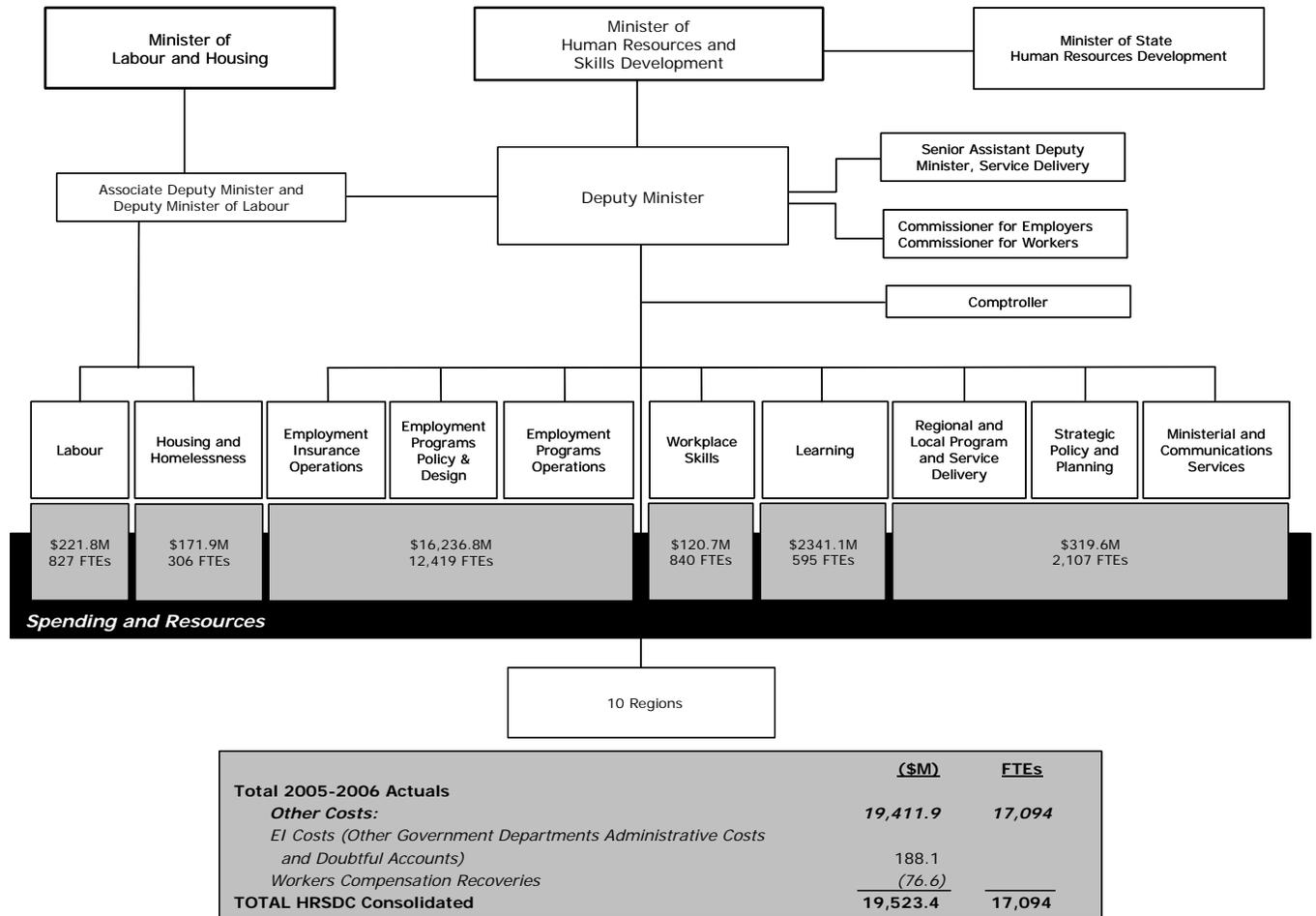
Priority: Implement an organization with a focus on excellence, people, sound management, enhanced stewardship and comptrollership, and accountability aligned to the Management Accountability Framework	
Plan	2005-2006 Achievements
Integrate a wide range of elements into the departmental decision-making process, including strategic planning, corporate and business planning, resource allocation, human resources, financial and systems planning, performance measurement, audit and risk management, evaluation, and government-wide initiatives.	<ul style="list-style-type: none"> <input type="checkbox"/> In SDC and HRSDC, Human Resources Planning was integrated into the corporate business planning process. Corporate HR Plans were developed based on a roll-up of the Branch plans and HR planning tools and training were provided to corporate planners, human resources advisors and delegated managers.
Clarify further the lines of responsibility within SDC, and work with managers to ensure the effective implementation of new tools such as the program activity architecture.	<ul style="list-style-type: none"> <input type="checkbox"/> SDC developed a program activity architecture to reflect the new organization's mandate and vision, linked to the government's priorities and intended results. As a result of the integration of SDC and HRSDC a new program activity architecture was developed in 2006-2007.
Priority: Effectively implement shared corporate services between HRSDC and SDC.	
Plan	2005-2006 Achievements
Ensure a more consistent, efficient and effective client service at a lower cost to taxpayers.	<ul style="list-style-type: none"> <input type="checkbox"/> Delivered \$292 million in savings by reducing errors, ensuring that people who should be paying Employment Insurance premiums were doing so and focused more efforts on ensuring that people were eligible for the benefits for which they had applied.
Continue to explore and implement mechanisms to increase efficiency and improve the effectiveness of specific services.	<ul style="list-style-type: none"> <input type="checkbox"/> A contract management framework and an internal procurement control framework were developed and a contract review committee was implemented. <input type="checkbox"/> Implemented process improvements to ensure the most cost effective end to end process and aligned with government-wide procurement reform. <input type="checkbox"/> Service Canada re-aligned accountability for Information Management under the Innovation, Information and Technology Branch with a view to managing and using information to better and more efficiently serve Canadians. <input type="checkbox"/> In October 2005, the International Association for Information Technology Service Management professionals has recognized Innovation, Information and Technology Branch as one of the leaders in Information Technology Service Management (ITSM) in Canada. In fact, the Branch has demonstrated its ITSM maturity by having established an effective Shared Systems environment supporting two Departments, while at the same time, continuing the development and implementation of self-service products for Canadians.
Ensure that SDC participates in the upcoming government-wide online marketplace for high-volume, commonly purchased goods and services.	<ul style="list-style-type: none"> <input type="checkbox"/> In support of Public Works and Government Services Canada, which is leading the development of the on-line marketplace tool, Service Canada launched a purchasing portal. The Purchasing Portal is an on-line tool designed to make day-to-day purchasing activities efficient by providing clear, easy-to-follow instructions on how to buy simple goods and services. The Portal also provides access points for service in support of more complex purchases.
Take steps to reflect the importance that the government attaches to issues such as meeting privacy expectations and strengthening the protection of personal information.	<ul style="list-style-type: none"> <input type="checkbox"/> Implemented the infrastructure required for enabling Service Canada's applications with Secure Channel interfaces and E-pass screens. This is a common authentication process for Social Insurance Number-based applications which will enable one-time authentication by individuals for SIN based services.



SUPPLEMENTARY INFORMATION - HUMAN RESOURCES AND SKILLS DEVELOPMENT CANADA

Organizational Information

Diagram 3: Former HRSDC Organizational Chart



Financial Performance Overview

In 2005-2006, the department was authorized to spend \$19,655.7 million or \$1,104.7 million less than the consolidated planned spending of \$20,760.4 million (tables 1 and 3). The variance is explained by:

- A decrease of \$1,213.7 million in the Specified Purpose Accounts mostly attributable to a revised forecast of Employment Insurance Part I benefits in the Employment Insurance Account (\$1,201 million); benefits declined mainly as a result of a decrease in the number of beneficiaries at a lower unemployment rate and the implementation of the Quebec Parental Insurance Plan (QPIP) in 2006, as maternity and parental benefits in Quebec are now paid by the Province of Quebec;
- A net decrease of \$172 million in the statutory payment authorities mostly attributable to:
 - A decrease of \$82.8 million in Canada Learning Bond and \$47.5 million in Canada Education Savings Grant, due to downward estimate adjustments reflective of reduced spending for a program in its initial stages of implementation,
 - A decrease of \$39.4 million in Liabilities under the *Canada Student Loans Act* due to the fact that actual spending is presented net of the recoveries on claims while the planned spending represents the forecast expenditure of claims paid only,
 - A decrease of \$5.7 million in payments under the *Canada Student Financial Assistance Act*,
 - A decrease of \$2.4 million associated with contributions to employee benefit plans,
 - Offset by an increase of \$5.9 million in payments of compensation respecting government employees;
- An increase of \$212 million in Loans disbursed under the *Canada Student Financial Assistance Act* mainly due to actual gross amount of loans issued being higher than expected.
- An increase of \$40 million in grants and contributions mostly related to;
 - Forecasted spending for the Toronto Waterfront Revitalization Initiative²⁴ (\$60.0 million),
 - Funds for activities to help alleviate and prevent homelessness (\$20.4 million)
 - Early Learning and Child Care (ELCC), for First Nation's children living on reserve to build new ELCC Centres, upgrade existing centres and to increase access to training for ELCC workers (\$6.8 million), and
 - Funding for the World Urban Forum (\$4.9 million)
 - Offset by reductions of \$52 million related to items not sought in the Governor General Warrants;
- An increase of \$28 million in net operating expenditures mainly due to items requested in the Governor General Special Warrants:
 - Compensation for salary adjustments (\$13.4 million),
 - Operating budget Carry-forward from 2004-2005 (\$5.9 million),
 - Additional operating expenditures to enable the Labour Program to continue to enhance the integrity of its delivery of Canada Labour Code core activities (\$4.4 million),
 - Funding related to government advertising programs (\$2.2 million), and
 - World Urban Forum (\$2.2 million) to organise and host a 5 day international event with delegates expected from over 150 countries in June 2006. This is a worldwide event focusing on cities, shelter and urbanisation;

²⁴ The Toronto Waterfront Revitalization Initiative has been transferred to Citizenship and Immigration Canada.

The actual consolidated expenditures of \$19,523.4 million were \$132.3 million lower than our total consolidated authorities of \$19,655.7 million. This was mainly due to:

- Grants and contributions expenditures being \$72.2 million less than the authorities for:
 - The Toronto Waterfront Revitalization Initiative (\$27.7 million);
 - The Homelessness Initiative (\$37.2 million), this amount will be requested for re-profile to 2006-2007 to ensure that funds will be available for proposals that are developed for activities to alleviate homelessness; and
 - Other lapses (\$7.3 million);
- A net operating lapse of \$13.3 million related to \$12.6 million in frozen resources and \$0.7 million in general lapse. The frozen items are attributable to ERC departmental savings (\$11.9 million), and a year-end transfer price between non-salary and salary (\$0.7 million); and
- A lapse of \$46.7 million in administrative costs recoverable from the EI account (\$44.4 million) and from the CPP account (\$2.3 million).

TABLE 1: COMPARISON OF PLANNED TO ACTUAL SPENDING

(millions of dollars)	2003-2004 Actual	2004-2005 Actual	2005-2006			
			Main Estimates ^a	Planned Spending	Authorities	Actual ^b
Program Activities						
Employment Insurance	514.1	554.3	804.9	823.8	844.0	838.1
Employment Programs	755.1	744.8	893.0	952.5	938.3	928.9
Workplace Skills	56.0	73.8	168.8	149.9	134.5	120.7
Learning	934.2	889.4	929.5	1,203.4	1,019.2	1,009.8
Labour	179.0	182.3	205.8	205.1	222.8	221.8
Homelessness	151.6	117.8	180.0	179.7	211.7	171.9
Policy, Program and Service Delivery Support	353.8 ^c	179.0 ^c	351.5	230.1	362.8 ^d	319.6 ^d
Total Gross Expenditures	2,943.8	2,741.4	3,533.5	3,744.5	3,733.3	3,610.8
Respendable revenues	(873.7)	(865.3)	(1,347.0)	(1,345.2)	(1,437.5)	(1,400.6)
Total Net Expenditures	2,070.1	1,876.1	2,186.5	2,399.3	2,295.8	2,210.2
Non-Budgetary						
Loans disbursed under <i>Canada Student Financial Assistance Act</i>						
	1,374.1	1,215.7	1,040.8	1,118.8	1,331.3	1,331.3
Total Department	3,444.2	3,091.8	3,227.3	3,518.1	3,627.1	3,541.5
Plus: Specified Purpose Accounts						
Employment Insurance	16,651.0	16,384.6		17,312.4	16,111.6	16,050.3
Other Specified Purpose Accounts	58.4	55.1		52.1	51.4	51.4
Departmental Recoveries charged to the CPP	10.1	5.3		14.0	15.3	13.0
Departmental Employee Benefit Plan recoverable from EI Account	(89.5)	(83.8)		(136.2)	(149.7)	(132.8)
Consolidated Total HRSDC	20,074.2	19,453.0		20,760.4	19,655.7	19,523.4
Less: Non-Respendable Revenues	370.3	374.4		337.6	512.7	512.7
Plus: Cost of services received without charge		173.0 ^e		15.5	18.4	18.4
Net cost of HRSDC		19,251.6		20,438.3	19,161.4	19,029.1
Full Time Equivalents	13,910	12,531	17,577	13,647 ^f	17,094	17,094

^a As published in Main Estimates 2005-2006.

^b Amounts include resources for Corporate Services related to the Minister's Office, the Deputy Minister's Office, the Comptroller's Office and the Shared Services prorated to each program activity.

^c In Main Estimates 2004-2005, authorities for Private Collection Agencies are reported under HRSDC, however actual expenditures are reported under SDC in the 2005 Public Accounts. The funds were transferred from HRSDC to SDC through Supplementary Estimates (A) in 2004-2005 and 2003-2004 actual expenditures have been adjusted to reflect the transfer.

^d The amounts include resources related to the Toronto Waterfront Revitalization Initiative.

^e Includes services received without charge from SDC for corporate services.

^f Excludes 4,109 FTEs for Shared Services

TABLE 2: USE OF RESOURCES BY PROGRAM ACTIVITY

	BUDGETARY							PLUS: NON BUDGETARY	TOTAL ^b
	Operating	Voted Grants and Contributions	Sub-total: Gross Expenditures	Statutory Grants and Contributions	Total Gross Expenditures	Less: Respendable Revenues	Total Net Budgetary Expenditures	Loans under CSFAA	
(millions of dollars)									
PROGRAM ACTIVITIES									
Employment Insurance									
Main Estimates ^a	804.7	-	804.7	0.2	804.9	(711.5)	93.4	-	93.4
<i>Planned Spending</i>	823.6	-	823.6	0.2	823.8	(730.6)	93.2	-	93.2
Authorities	844.0	-	844.0	-	844.0	(754.1)	89.9	-	89.9
<i>Actual</i>	838.1	-	838.1	-	838.1	(749.1)	89.0	-	89.0
Employment Programs									
Main Estimates ^a	388.9	504.1	893.0	-	893.0	(274.4)	618.6	-	618.6
<i>Planned Spending</i>	405.7	546.8	952.5	-	952.5	(287.4)	665.1	-	665.1
Authorities	417.1	521.2	938.3	-	938.3	(328.7)	609.6	-	609.6
<i>Actual</i>	409.7	519.2	928.9	-	928.9	(322.7)	606.2	-	606.2
Workplace Skills									
Main Estimates ^a	128.5	40.3	168.8	-	168.8	(95.1)	73.7	-	73.7
<i>Planned Spending</i>	75.6	74.3	149.9	-	149.9	(55.9)	94.0	-	94.0
Authorities	96.9	37.6	134.5	-	134.5	(69.1)	65.4	-	65.4
<i>Actual</i>	86.9	33.8	120.7	-	120.7	(60.0)	60.7	-	60.7
Learning									
Main Estimates ^a	112.8	33.5	146.3	783.2	929.5	(6.6)	922.9	1,040.8	1,963.7
<i>Planned Spending</i>	160.7	38.5	199.2	1,004.2	1,203.4	(14.8)	1,188.6	1,118.8	2,307.4
Authorities	135.8	35.3	171.1	848.1	1,019.2	(7.4)	1,011.8	1,331.3	2,343.1
<i>Actual</i>	127.4	34.3	161.7	848.1	1,009.8	(1.4)	1,008.4	1,331.3	2,339.7
Labour									
Main Estimates ^a	201.9	3.9	205.8	0.0	205.8	(76.0)	129.8	-	129.8
<i>Planned Spending</i>	201.2	3.9	205.1	0.0	205.1	(76.0)	129.1	-	129.1
Authorities	219.0	3.8	222.8	0.0	222.8	(77.3)	145.5	-	145.5
<i>Actual</i>	218.4	3.4	221.8	-	221.8	(77.3)	144.5	-	144.5
Homelessness									
Main Estimates ^a	38.9	141.1	180.0	-	180.0	-	180.0	-	180.0
<i>Planned Spending</i>	38.6	141.1	179.7	-	179.7	-	179.7	-	179.7
Authorities	34.2	177.5	211.7	-	211.7	-	211.7	-	211.7
<i>Actual</i>	31.7	140.2	171.9	-	171.9	-	171.9	-	171.9
Policy, Program and Service Delivery Support									
Main Estimates ^a	234.7	116.8	351.5	-	351.5	(183.4)	168.1	-	168.1
<i>Planned Spending</i>	230.1	-	230.1	-	230.1	(180.5)	49.6	-	49.6
Authorities ^c	293.2	69.6	362.8	-	362.8	(200.9)	161.9	-	161.9
<i>Actual</i> ^c	277.7	41.9	319.6	-	319.6	(190.1)	129.5	-	129.5
Total									
Main Estimates ^a	1,910.4	839.7	2,750.1	783.4	3,533.5	(1,347.0)	2,186.5	1,040.8	3,227.3
<i>Planned Spending</i>	1,935.5	804.6	2,740.1	1,004.4	3,744.5	(1,345.2)	2,399.3	1,118.8	3,518.1
Authorities	2,040.2	845.0	2,885.2	848.1	3,733.3	(1,437.5)	2,295.8	1,331.3	3,627.1
<i>Actual</i>	1,989.9	772.8	2,762.7	848.1	3,610.8	(1,400.6)	2,210.2	1,331.3	3,541.5

^a As published in Main Estimates 2005-2006.

^b Total excludes Specified Purpose Accounts.

^c Voted Grants and Contributions include resources related to the Toronto Waterfront Revitalization Initiative.

TABLE 3: VOTED AND STATUTORY ITEMS

Vote/ Statutory item	(millions of dollars)	2005-2006			
		Main Estimates ^a	Planned Spending	Authorities	Actual
Department					
1	Operating expenditures	266.0	286.6	314.7	301.4
5	Grants and contributions	839.6	804.6	845.0	772.8
(S)	Minister of Human Resources and Skills Development – Salary and motor car allowance	0.1	0.1	0.1	0.1
(S)	Minister of Labour – Salary and motor car allowance	0.1	0.1	0.1	0.1
(S)	Payments related to the direct financing arrangement under the <i>Canada Student Financial Assistance Act</i>	263.8	278.2	273.8	273.8
(S)	The provision of funds for interest payments under the <i>Canada Student Loans Act</i>	0.1	0.1	0.1	0.1
(S)	The provision of funds for liabilities including liabilities in the form of guaranteed loans under the <i>Canada Student Loans Act</i>	11.7	11.7	(27.7)	(27.7)
(S)	The provision of funds for interest and other payments to lending institutions and liabilities under the <i>Canada Student Financial Assistance Act</i>	70.6	73.1	70.1	70.1
(S)	Canada Study Grants to qualifying full and part-time students pursuant to the <i>Canada Student Financial Assistance Act</i>	83.0	128.0	129.7	129.7
(S)	Grants to the trustees of Registered Education Savings Plans (RESPs) for the benefit of beneficiaries named under those RESPs, pursuant to the Canada Education Savings Grant regulations of the <i>Department of Human Resources Development Act</i>	430.0	510.0	462.5	462.5
(S)	Payments related to Canada Learning Bond	-	85.0	2.2	2.2
(S)	Supplementary Retirement Benefits – Annuities agents' pensions	0.0	0.0	0.0	0.0
(S)	Labour Adjustment benefits in accordance with the terms and conditions prescribed by the Governor in Council to assist workers who have been laid off as a result of import competition, industrial restructuring, or severe economic disruption in an industry or region	0.0	0.0	-	-
(S)	Civil Service Insurance actuarial liability adjustment	0.2	0.2	-	-
(S)	Payments of compensation respecting government employees and merchant seamen	51.0	51.0	56.9	56.9
(S)	Contributions to employee benefit plans ^b	170.2	170.5	168.1	168.1
(S)	Spending of proceeds from disposal of surplus Crown Assets	-	-	0.2	0.1
(S)	Refunds of amounts credited to revenues in previous years	-	-	0.0	0.0
Total Budgetary		2,186.5	2,399.3	2,295.8	2,210.2
Plus: Non-Budgetary					
Loans disbursed under the <i>Canada Student Financial Assistance Act</i>		1,040.8	1,118.8	1,331.3	1,331.3
Total Department		3,227.3	3,518.1	3,627.1	3,541.5
Plus: Specified Purpose Accounts:					
Employment Insurance (EI) costs			17,312.4	16,111.6	16,050.3
Other Specified Purpose Accounts costs			52.1	51.4	51.4
Costs recoverable from the CPP			14.0	15.3	13.0
Employee Benefit Plan recoverable from the EI Account			(136.2)	(149.7)	(132.8)
Total Consolidated Expenditures			20,760.4	19,655.7	19,523.4
Full Time Equivalents		17,577	13,647	17,094	17,094

^a As published in Main Estimates 2005-2006

^b This statutory item includes the government's contribution as an employer to various benefit plans such as the Public Service Superannuation Account, the Public Service Death Benefit Account, the Employment Insurance (EI) Account and the Canada/Quebec Pension Plans. The amount is partially recoverable from the EI Account and the Canada Pension Plan.

TABLE 4: SERVICES RECEIVED WITHOUT CHARGE

	<u>Actual</u> <u>2005-2006</u>
(millions of dollars)	
Contributions covering employers' share of employee's insurance premiums and expenditures paid by TBS	15.1
Salary and associated expenditures of legal services provided by Justice Canada	3.3
Total 2005-2006 Services received without charge.	18.4

TABLE 5: LOANS, INVESTMENTS AND ADVANCES

Loans, Investments and Advances (millions of dollars)	2003-2004		2004-2005		2005-2006	
	Actual	Actual	Main Estimates	Planned Spending	Authorities	Actual
Learning						
Loans disbursed under the <i>Canada Student Financial Assistance Act</i> ^a	1,374.1	1,215.7	1,040.8	1,118.8	1,331.3	1,331.3
Total	1,374.1	1,215.7	1,040.8	1,118.8	1,331.3	1,331.3

TABLE 6: SOURCES OF RESPONDABLE AND NON-RESPONDABLE REVENUES

(millions of dollars)	2003-2004 ^a	2004-2005 ^a	2005-2006			
	Actual	Actual	Main Estimates	Planned Revenues	Authorities	Actual
Responsible Revenue^b						
Employment Insurance						
EI Recovery	452.9	484.1	711.5	730.6	754.1	749.1
Employment Programs						
EI Recovery	120.9	138.5	274.4	287.4	328.7	322.7
Workplace Skills						
EI Recovery	36.7	49.7	95.1	55.8	69.1	60.0
Learning						
EI Recovery	14.6	13.9	6.6	14.8	7.4	1.4
Labour						
Worker's Compensation - ODG	72.8	74.1	75.3	75.3	76.6	76.6
EI Recovery	0.9	0.7	0.7	0.7	0.7	0.7
Homelessness	-	-	-	-	-	-
Policy, Program and Service Delivery Support						
CPP Recovery	10.1	5.3	14.0	14.0	15.3	13.0
EI Recovery	164.8	99.0	169.4	166.5	185.6	177.1
Total Responsible Revenue	873.7	865.3	1,347.0	1,345.1	1,437.5	1,400.6
By Type:						
Total CPP Recovery	10.1	5.3	14.0	14.0	15.3	13.0
Total EI Recovery	790.8	785.9	1,257.7	1,255.8	1,345.6	1,311.0
Total Worker's Compensation - ODG	72.8	74.1	75.3	75.3	76.6	76.6
Non-Responsible Revenue						
Total EBP Recovery from CPP	1.1	1.5	2.0	2.0	1.9	1.9
Total EBP Recovery from EI	78.6	83.8	136.2	136.2	132.9	132.9
Adjustment to Prior Years' Payables	4.9	7.5	-	-	6.2	6.2
Canada Student Loans	230.3	275.2	-	191.2 ^c	360.6	360.6
Actuarial Surplus - Government Annuities Account	2.5	0.2	-	-	3.5	3.5
User Fees						
Federal Workers' Compensation Administrative Fees	1.9 ^d	2.0	2.1	2.1	2.1	2.1
Labour Fire Protection Engineering Service Fee	-	0.1	0.1	0.1	0.1	0.1
Miscellaneous Items	11.5	4.1	-	6.0	5.4	5.4
Total Non-Responsible Revenue	330.8	374.4	140.4	337.6	512.7	512.7

^a The actual figures are restated to include the source which was not provided in previous years. The split of the non-responsible revenues between HRSDC and SDC, as published in the 2003-2004 DPR, has been revised to reflect the correct split.

^b These amounts include administrative costs recovered from the Employment Insurance Account and the Canada Pension Plan.

^c Planned figure include recoveries of principal and interest on Canada Student Loans. The actual figure is as published in the 2005 Public Accounts, and includes interest revenues on Canada Student Loans.

^d 2003-2004 actual revenue was previously reported under "Miscellaneous Items".

TABLE 7-A: USER FEES ACT

A. User Fee	Fee Type (R) or (O) ¹	Date Last Modified	Fee Setting Authority	2005-2006			2006-2007			2007-2008			2008-2009		
				Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Performance Standard	Performance Results	Forecast Revenue (\$000)	Estimated Full Cost (\$000)	Forecast Revenue (\$000)	Estimated Full Cost (\$000)	Forecast Revenue (\$000)	Estimated Full Cost (\$000)	
Federal Workers' Compensation Administrative Fees	(O)	September 1990	Government Employees Compensation Act	2,100	2,122	3,600	90% of claims processed to the appropriate provincial workers' compensation authority within 24 hours	85%	2,200	3,700	2,300	3,800	2,400	3,900	
Other Initiative - Labour Fire Protection Engineering Services Fees ^a	(O)	June 1993	Financial Administration Act	60	37	4,300	90% of plan review completed within 21 calendar days or 15 working days	67% ^b	45	4,400	45	4,500	45	4,600	
Fees charged for the processing of access requests filed under the Access to Information Act (ATIA) ^c	(O)	1992	Access to Information Act	4	4.8	581	Response provided within 30 days following receipt of request; the response time may be extended pursuant to section 9 of the ATIA. Notice of extension to be sent within 30 days after receipt of request. ^d The Access to Information Act provides more detail:	96%	5.4	800	5.4	800.0	5.4	800	
Total User Fees				2,164	2,164	8,481			2,250	8,900	2,350	9,100	2,450	9,300	

B. Date Last Modified: N/A

C. Other Information:

- ^a The Full Costs represent the total expenditures for Fire Protection Services program of which only a small portion is recoverable through user fees for the fire protection engineering service delivery to Crown Corporations.
- ^b The time standard for Labour Fire Protection Engineering Services was not met due to fluctuating and increasing workloads for engineering services. Recent staffing actions should help to ameliorate the situation and the Department will continue to monitor performance.
- ^c On February 6, 2006, the government consolidated the Department of Human Resources and Skills Development Canada to create a new department called Human Resources and Social Development Canada (HRSDC). The 2005-2006 data represent the Human Resources Skills Development Canada only. Data for future years represent Human Resources and Social Development Canada.
- ^d Even though the legislative deadline is 30 calendar days, extensions are allowed depending on the complexity of the request.
- ¹ Regulatory (R) or Other Products and Services (O).

TABLE 7-B: POLICY ON SERVICE STANDARDS FOR EXTERNAL FEES

A. External Fee	Service Standard	Performance Result	Stakeholder Consultation
Federal Workers' Compensation Administrative Fees	90% of claims processed to the appropriate provincial workers' compensation authority within 24 hours	85% of claims processed to the appropriate provincial workers' compensation authority within 24 hours	This performance indicator was developed to minimize delays between the submission of accident reports and the payment of compensable benefits to injured employees.

B. Other Information:

A. External Fee	Service Standard	Performance Result	Stakeholder Consultation
Other Initiative - Labour Fire Protection Engineering Services Fees	90% of plan review completed within 21 calendar days or 15 working days	67% of plan review completed within 21 calendar days or 15 working days	This indicator was created as a result of a 1997 review by Consulting and Audit Canada which indicated that timeliness in completing plan reviews was an issue for the stakeholders.

B. Other Information: The time standard for Labour Fire Protection Engineering Services was not met due to fluctuating and increasing workloads for engineering services. Recent staffing actions should help to ameliorate the situation and the Department will continue to monitor performance.

A. External Fee	Service Standard	Performance Result	Stakeholder Consultation
Fees charged for the processing of access requests filed under the <i>Access to Information Act</i> (ATIA)	Response provided within 30 days following receipt of request; the response time may be extended pursuant to section 9 of the ATIA. Notice of extension to be sent within 30 days after receipt of request. The <i>Access to Information Act</i> provides more detail: http://laws.justice.gc.ca/en/A-1/218072.html .	96%	The service standard is established by the <i>Access to Information Act</i> and the <i>Access to Information Regulations</i> . Consultations with stakeholders were undertaken by the Department of Justice and the Treasury Board Secretariat for amendments done in 1986 and 1992.

B. Other Information:

TABLE 8: MAJOR REGULATORY INITIATIVES

Efficient and inclusive labour market transitions through temporary income support and active employment measures			
REGULATIONS	EXPECTED RESULTS	PERFORMANCE MEASUREMENT CRITERIA	RESULTS ACHIEVED
Employment Insurance (EI) Regulation section 34 — Family Supplement.	By September 2005, an amendment to the Regulation will correct an inequity in the processing and payment of the family supplement.	A wording change related to payment of the family supplement to parents in a joint custody situation.	The regulation change was delayed due to high priority regulation changes during the year associated with seasonal workers pilot projects and Quebec Parental program. Timing of the regulation change will be determined based on consultation with Service Canada.
Employment Insurance (EI) Regulation section 7(d).	By December 2005, an amendment will refine the definition of excluded insurable employment for workers from outside of Canada who are here on assignment.	This regulatory change relates to Government of Canada policy on insurability of employment.	Timing to be determined subsequent to an assessment of policy impacts.
Employment Insurance (EI) Regulation section 19.3.	By September 2005, an amendment to eliminate the requirement for employers to provide a paper copy of the Record of Employment (ROE) to an employee, if the employer is an approved WebROE user.	This regulatory change would alleviate the need for employers who submit electronic Records of Employment to keep a copy in their files and remit a copy to the insured person, unless the employee requests it.	The regulation change was delayed due to high priority regulation changes during the year associated with seasonal workers pilot projects and Quebec Parental program. Timing of the regulation change will be based on consultation with Service Canada.
Other Employment Insurance Regulatory Enhancements.	By March 2006, various enhancements to EI Program in response to various Government of Canada initiatives.	As required introduce regulatory amendments in support of government initiatives involving the EI Program.	Two significant regulatory initiatives supporting the implementation of the Quebec Parental Insurance Plan were implemented. Three regulations were passed to support EI pilot projects. A further regulation change related to employer paid Supplemental Unemployment Benefit Plans was passed.

TABLE 8: MAJOR REGULATORY INITIATIVES (continued)**Through access to learning, Canadians can participate fully in a knowledge-based economy and society**

REGULATIONS	EXPECTED RESULTS	PERFORMANCE MEASUREMENT CRITERIA	RESULTS ACHIEVED
Implementation of new savings incentives for post-secondary education enacted by Bill C-5, the <i>Canada Education Savings Act</i> , on December 15, 2004 (Canada Learning Bond and update to the existing Canada Education Savings Grant program). These new regulations were expected to be approved in fiscal 2004-2005 and will replace the current <i>CES Grant Regulations</i> .	To provide greater clarity for the <i>Canada Education Savings Act</i> , set out the parameters for the new Canada Learning Bond, and update the existing Canada Education Savings Grant regulations. To encourage greater participation from low- to middle-income families to open and invest in Registered Education Savings Plans for their children's post-secondary education	Eligible children receiving the new savings incentives	Canada Education Savings Regulations were established and came into force on July 1, 2005. These replaced the former <i>CES Grant Regulations</i> . Since July 1, 2005, low and middle income families have been receiving the new Canada Education Savings Grant rates and the Canada Learning Bond.
<u>Weekly Loan Limits</u> An increase in federal weekly loan limits under the Canada Student Loans Program, from the current \$165 per week of study to \$210 per week of study. Section 10 of the <i>Canada Student Financial Assistance Regulations</i> was amended.	An increase in loan limits will decrease financial barriers to post-secondary study, respond to the rising costs of post-secondary education, help meet current unfunded financial need and help reduce reliance on costly private borrowing.	Increasing the loan limit for Canada Student Loans will provide approximately 185,000 students with more support. In addition, the number of borrowers at the loan limit will be reduced by about 14 percent or 50,000 students, and the average "unfunded need" for undergraduate students will be cut by 50 percent.	The amendments came into force August 1, 2005 for the loan year 2005-2006. Results will be available in the next year.
<u>Canada Access Grant for Students from Low-income Families</u> The Canada Student Loans Program will provide a new grant for first-time, first-year students from low-income families (up to 50 percent of student's tuition to a maximum of \$3,000). The <i>Canada Student Financial Assistance Regulations</i> were amended to add section 40.02 which describes the eligibility criteria.	This grant will provide incentives for students from low-income families to participate in post-secondary education, decrease barriers to post-secondary studies, and offset the costs of tuition incurred in the first year of study. This grant will also align post-secondary education policy with Canada's broader social policy via the provision of targeted assistance to students who need additional support.	This new Canada Access Grant is expected to benefit over 22,000 students each year.	The amendments came into force August 1, 2005 for the loan year 2005-2006. Results will be available in the next year.

TABLE 8: MAJOR REGULATORY INITIATIVES (continued)**Through access to learning, Canadians can participate fully in a knowledge-based economy and society**

REGULATIONS	EXPECTED RESULTS	PERFORMANCE MEASUREMENT CRITERIA	RESULTS ACHIEVED
<p><u>Canada Access Grant for Students with Permanent Disabilities</u></p> <p>The current Canada Study Grant for High-need Students with Permanent Disabilities will be replaced with a new up-front non-repayable access grant for post-secondary students with permanent disabilities.</p> <p>Section 34.1 of the <i>Canada Student Financial Assistance Regulations</i> was repealed and section 40.01 was added in order to introduce this new grant.</p>	<p>This new Canada Access Grant will provide increased incentive to students with permanent disabilities to participate in post-secondary studies, decrease financial barriers, reduce reliance on student loans, and provide targeted assistance to those who need additional support.</p>	<p>The new Canada Access Grant for High-need Students with Permanent Disabilities is expected to benefit over 6,000 students each year.</p>	<p>The amendments came into force August 1, 2005 for the loan year 2005-2006. Results will be available in the next year.</p>
<p><u>Interest Relief</u></p> <p>Interest Relief is a debt management measure that assists borrowers who are experiencing temporary financial difficulty in repaying their student loans by providing short-term relief on loan payments. While receiving Interest Relief, a borrower is not required to make any payments of interest or principal on their outstanding Canada Student Loan. A 5% increase to income thresholds used to determine Interest Relief eligibility was announced.</p> <p>Amendments to Schedule 1 of the <i>Canada Student Financial Assistance Regulations</i> were required in order to introduce higher income thresholds.</p>	<p>Increasing income thresholds by 5 percent will make Interest Relief more accessible to borrowers experiencing temporary difficulty in repaying their student loans.</p>	<p>Increased number of borrowers who may qualify for this measure thus avoid default.</p>	<p>The amendments came into force August 1, 2005 for the loan year 2005-2006. Results will be available in the next year.</p>

TABLE 8: MAJOR REGULATORY INITIATIVES (continued)**Through access to learning, Canadians can participate fully in a knowledge-based economy and society**

REGULATIONS	EXPECTED RESULTS	PERFORMANCE MEASUREMENT CRITERIA	RESULTS ACHIEVED
<p><u>Debt Reduction in Repayment</u></p> <p>Debt Reduction in Repayment (DRR) is a debt management measure that provides borrowers who are experiencing long-term financial difficulty in repaying their student loans with a reduction in loan principal. An increase in the maximum amount available for reduction under DRR from \$20,000 to \$26,000 was announced.</p> <p>Sections 42 and 42.1 of the <i>Canada Student Financial Assistance Regulations</i> and section 30.1 of the <i>Canada Student Loans Regulations</i> were amended in order to raise these amounts.</p>	<p>Raising the maximum amount will provide more assistance to borrowers who are experiencing exceptional long-term financial difficulties in repaying their student loans.</p> <p>This amendment coincides with increased loan limits that were also announced.</p>	Increased percentage of borrowers who access DRR thus avoiding default.	The amendments came into force August 1, 2005 for the loan year 2005-2006. Results will be available in the next year.

Safe, healthy, fair, stable, cooperative and productive workplaces

REGULATIONS	EXPECTED RESULTS	PERFORMANCE MEASUREMENT CRITERIA	RESULTS ACHIEVED
Canada Labour Code, Part III – Amendments to the Canada Labour Standards Regulations	These amendments will replace the lists of industrial establishments for the purpose of group termination that could occur at Bell Canada, and at Canadian Pacific Limited.		Prepublished on December 19, 2005, in the Canada Gazette, Part I. No comments received. Coming into force will take place on the date of their final publication in the Canada Gazette, Part II.
Canada Labour Code, Part III – New regulations	The regulations will exempt commission-paid salespeople in the banking industry from the application of sections 169, 171, 173 and 174 setting the hours of work under the Canada Labour Code.		Came into force May 11, 2006
Personal Information Protection and Electronic Documents Act – New regulations	The regulations will allow employers to issue pay statements to their employees through electronic means.		With Justice drafters

TABLE 8: MAJOR REGULATORY INITIATIVES (continued)

Safe, healthy, fair, stable, cooperative and productive workplaces			
REGULATIONS	EXPECTED RESULTS	PERFORMANCE MEASUREMENT CRITERIA	RESULTS ACHIEVED
<i>Employment Equity Act – Employment Equity Regulations.</i>	In the process of updating and making consequential changes that will: <ul style="list-style-type: none"> • update the census Metropolitan Areas to 2002 Statistics Canada publication; • update the National Occupational Classification to the 2001 codes; • introduce the North American Industry Classification System; and • make administrative and consequential changes (i.e. changing dates and Department name). 		Came into force June 15, 2006
Canada Labour Code, Part II – Canada Occupational Health and Safety Regulations (COHSR). Violence in the Workplace: Regulations are being developed as a result of the September 2000 amendments to Part II.	This will fulfill the Labour Program's obligation to make regulations prescribing steps to prevent and protect against violence in the workplace.		These regulations are presently in the final stages of the legal drafting process with Justice Canada
Canada Labour Code, Part II – Canada Occupational Health and Safety Regulations. Hazard Prevention Program Regulations were developed as a result of the September 2000 amendments to Part II and were published in Part I of the Canada Gazette on November 27, 2004.	This will fulfill the Labour Program's obligation to make regulations for a prescribed program for the prevention of hazards in the workplace.		These regulations came into force in November 2005.
Canada Labour Code, Part II – Canada Occupational Health and Safety Regulations. Ergonomics standards are being developed as a result of the September 2000 amendments to Part II.	This will fulfill the Labour Program's obligation to address ergonomics standards in workplaces.		These regulations are presently being prepared for forwarding to Justice Canada for the legal drafting process.
Canada Labour Code, Part II – Safety and Health Committees and Representatives Regulations. Amending the existing regulations to bring them up to date with the September 2000 amendments to Part II.	This will bring the existing regulations up to date with the Code amendments pertaining to policy committees, training of health and safety committee members, and with the terminology of the amended Code.		These regulations are presently being prepared for forwarding to Justice Canada for the legal drafting process.

TABLE 8: MAJOR REGULATORY INITIATIVES (continued)**Safe, healthy, fair, stable, cooperative and productive workplaces**

REGULATIONS	EXPECTED RESULTS	PERFORMANCE MEASUREMENT CRITERIA	RESULTS ACHIEVED
Canada Labour Code, Part II – Aviation Occupational Safety and Health Regulations. Working in concert with Transport Canada to amend the existing regulations.	This will bring the existing regulations up to date with the COHSR and with current standards and work practices in the aviation industry.		These regulations are presently under review prior to prepublication in Canada Gazette I.
Canada Labour Code, Part II – Onboard Trains Occupational Safety and Health Regulations. Working in concert with Transport Canada to amend the existing regulations.	This will bring the existing regulations up to date with the COHSR and with current standards and work practices in the rail industry.		These regulations are presently with Justice Canada for legal drafting.
Canada Labour Code, Part II – Marine Occupational Safety and Health Regulations. Working in concert with Transport Canada to amend the existing regulations.	This will bring the existing regulations up to date with the COHSR and with current standards and work practices in the marine industry.		These regulations are presently being reviewed prior to forwarding to Justice Canada for legal drafting.
Canada Labour Code, Part II – Oil and Gas Occupational Safety and Health Regulations. Working in concert with the National Energy Board to amend the existing regulations.	This will bring the existing regulations up to date with the COHSR and with current standards and work practices in the oil and gas industry.		Presently with Justice Canada for the legal drafting process.

TABLE 9-A: SUMMARY OF NON-STATUTORY TRANSFER PAYMENTS BY PROGRAM ACTIVITY

(millions of dollars)	2003-2004	2004-2005	2005-2006			
	Actual	Actual	Main Estimates	Planned Spending	Authorities	Actual
GRANTS						
Employment Programs						
Grants to individuals, organizations and corporations to assist individuals to improve their employability and to promote employment opportunities by assisting local entrepreneurial development	0.1	0.1	0.2	0.2	0.2	0.0
Temporary Fisheries Income Program	8.0	-	-	-	-	-
Class grant related to Severe Acute Respiratory Syndrome	0.6	-	-	-	-	-
Named grants for the Organization for Economic Co-Operation and Development	0.1	0.2	0.3	0.3	0.3	0.3
	<u>8.8</u>	<u>0.3</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.3</u>
Learning						
Grants to voluntary sectors, professional organizations, universities and post-secondary institutions and to provincial and territorial governments for literacy	28.0	26.5	28.4	33.4	23.8	22.8
Labour						
Canadian Joint Fire Prevention Publicity Committee	0.0	0.0	0.0	0.0	0.0	0.0
Fire Prevention Canada	0.0	0.0	0.0	0.0	0.0	0.0
To support activities which contribute to Occupational safety and health program objectives	0.0	0.0	0.0	0.0	0.0	0.0
To support standards-writing associations	0.0	0.0	0.0	0.0	-	-
Grants to international labour institutions for addressing the labour dimension of globalization	-	0.8	1.0	1.0	1.0	1.0
Grants to international and domestic organizations for technical assistance and international cooperation on labour issues ^c	0.1	0.7	0.9	0.9	0.9	0.9
	<u>0.1</u>	<u>1.5</u>	<u>2.0</u>	<u>2.0</u>	<u>1.9</u>	<u>1.9</u>
Homelessness						
Grants to not-for-profit organizations, individuals, municipal governments, Band/tribal councils and other Aboriginal organizations, public health and educational institutions, Régies régionales, for-profit enterprises, research organizations and research institutes to carry out research on homelessness to help communities better understand and more effectively address homelessness issues	0.2	0.6	1.7	1.7	2.0	1.0
Policy, Program and Service Delivery Support						
Grant to the Canadian Council on Learning	85.0	-	-	-	-	-
Total Non-Statutory Grants	<u>122.1</u>	<u>28.9</u>	<u>32.6</u>	<u>37.6</u>	<u>28.2</u>	<u>26.0</u>

**TABLE 9-A: SUMMARY OF NON-STATUTORY TRANSFER PAYMENTS
BY PROGRAM ACTIVITY (continued)**

(millions of dollars)	2003-04	2004-2005	2005-2006			
	Actual	Actual	Main Estimates	Planned Spending	Authorities	Actual
CONTRIBUTIONS						
Employment Programs						
Payments to provinces, territories, municipalities, other public bodies, organizations, groups, communities, employers and individuals for the provision of training and/or work experience, the mobilization of community resources, and human resource planning and adjustment measures necessary for the efficient functioning of the Canadian labour market	486.4	470.2	503.6	534.3	508.7	507.0
Contributions to organizations to support the development of human resources, economic growth, job creation and retention in official language minority communities	-	7.0	-	12.0	12.0	11.9
	486.4	477.2	503.6	546.3	520.7	518.9
Workplace Skills						
Payments to provinces, territories, municipalities, other public bodies, organizations, groups, communities, employers and individuals for the provision of training and/or work experience, the mobilization of community resources, and human resource planning and adjustment measures necessary for the efficient functioning of the Canadian labour market	14.0	15.4	-	-	-	-
Contributions to sector councils, cross-sectoral councils, national consortia, provincial/territorial governments, municipal governments, not-for-profit organizations, professional associations, industry groups, unions, regulatory bodies, public health institutions, school boards, universities, colleges, CEGEPs, and ad-hoc associations to support the development and the improvement of foreign credential assessment and recognition processes and tools.	-	1.4	40.3	74.3	37.6	33.8
	14.0	16.8	40.3	74.3	37.6	33.8
Learning						
Contributions to organizations, provinces, territories, municipalities, post-secondary institutions and individuals to encourage and support initiatives which will contribute to the development of a more results-oriented, accessible, relevant and accountable learning system	3.4	-	-	-	-	-
Contributions to organizations, provinces, territories, municipalities, post-secondary institutions and individuals to encourage and support initiatives with respect to the development, application, use and diffusion of new learning and training technologies (Office of Learning Technologies)	1.8	-	-	-	-	-
Contributions to voluntary sectors, professional organizations, universities and post-secondary institutions and to provincial and territorial governments for literacy	1.9	3.7	1.2	1.2	6.1	6.1
Payments to provinces, territories, municipalities, other public bodies, organizations, groups, communities, employers and individuals for the provision of training and/or work experience, the mobilization of community resources, and human resource planning and adjustment measures necessary for the efficient functioning of the Canadian labour market	-	5.7	3.9	3.9	5.4	5.4
	7.1	9.4	5.1	5.1	11.5	11.5
Labour						
Labour Management Partnerships Program	1.0	0.7	1.6	1.6	1.6	1.3
Labour Commission	0.8	-	-	-	-	-
Contributions to Canadian business, labour and not-for-profit organizations for social dialogue and Canadian-based cooperative activities related to Canada's international labour	-	-	0.3	0.3	0.3	0.2
	1.8	0.7	1.9	1.9	1.9	1.5

**TABLE 9-A: SUMMARY OF NON-STATUTORY TRANSFER PAYMENTS
BY PROGRAM ACTIVITY (continued)**

Homelessness						
Homelessness – Contributions to provinces, territories, municipalities, other public bodies, organizations, community groups, employers and individuals to support activities to help alleviate and prevent homelessness across Canada	119.6	-				
Contributions to not-for-profit organizations, individuals, municipal governments, Band/tribal councils and other Aboriginal organizations, public health and educational institutions, régies régionales, for-profit enterprises, research organizations and research institutes to support activities to help alleviate and prevent homelessness across Canada and to carry out research on homelessness to help communities better understand and more effectively address homelessness issues	10.1	95.8	139.4	139.4	175.4	139.3
	129.7	95.8	139.4	139.4	175.4	139.3
Policy, Program and Service Delivery Support						
Payments to provinces, territories, municipalities, other public bodies, organizations, groups, communities, employers and individuals for the provision of training and/or work experience, the mobilization of community resources, and human resource planning and adjustment measures necessary for the efficient functioning of the Canadian labour market	1.4	2.0	-	-	1.8	1.8
Toronto Waterfront Revitalization Initiative ^b	-	15.6	116.8	-	60.0	32.3
Contributions to for-profit enterprises for non-commercial activities and to not-for-profit organizations, individuals, municipal governments, Band/tribal councils and other Aboriginal organizations for activities related to the 2006 World Urban Forum and to research organizations and research institutes for research to help understand and address World Urban Forum related issues	1.4	-	-	-	7.8	7.8
	2.8	17.6	116.8	-	69.6	41.9
Total Non-Statutory Contributions	641.8	617.5	807.1	767.0	816.7	746.9

Note: Totals may not add due to rounding

^a This amount was presented under Employment Programs in HRSDC's 2003-2004 Performance Report.

^b Details on the Toronto Waterfront Revitalization Initiative are being presented in the Citizenship and Immigration Canada's 2005-2006 Departmental Performance Report.

**TABLE 9-B: SUMMARY OF STATUTORY TRANSFER PAYMENTS
BY PROGRAM ACTIVITY ^a**

(millions of dollars)	2003-2004	2004-2005	2005-2006			
	Actual	Actual	Main Estimates	Planned Spending	Authorities	Actual
Employment Insurance						
(S) Civil Service Insurance actuarial liability adjustment	0.2	0.1	0.2	0.2	-	-
Learning						
(S) The provision of funds for interest payments to lending institutions under the <i>Canada Student Loans Act</i>	0.2	0.2	0.1	0.1	0.1	0.1
(S) The provision of funds for liabilities including liabilities in the form of guaranteed loans under the <i>Canada Student Loans Act</i>	(28.1)	(24.1)	11.7	11.7	(27.7)	(27.7)
(S) Payments related to the direct financing arrangement under the <i>Canada Student Financial Assistance Act</i>	266.3	206.1	187.8	196.2	211.2	211.2
(S) The provision of funds for interest and other payments to lending institutions and liabilities under the <i>Canada Student Financial Assistance Act</i>	105.2	86.0	70.6	73.2	70.1	70.1
(S) Grants to the trustees of Registered Education Savings Plans (RESPs) for the benefit of beneficiaries named under those RESPs, pursuant to the Canada Education Savings Grant regulations of the <i>Department of Human Resources Development Act</i>	394.1	426.0	430.0	510.0	95.6	95.6
(S) Canada study grants to qualifying full and part-time students pursuant to the <i>Canada Student Financial Assistance Act</i>	66.8	64.5	83.0	128.0	129.7	129.7
(S) Canada Education Savings grant payments to Registered Education Savings Plans (RESPs) trustees on behalf of RESP beneficiaries to encourage Canadians to save for post-secondary education of children	0.0	-	-	-	366.9	366.9
(S) Labour Adjustment benefits in accordance with the terms and conditions prescribed by the Governor in Council to assist workers who have been laid off as a result of import competition, industrial restructuring, or severe economic disruption in an industry or region	-	0.0	0.0	0.0	-	-
(S) Canada Learning Bond payments to Registered Education Savings Plans (RESPs) trustees on behalf of RESP beneficiaries to support access to post-secondary education to children from low-income families		-	-	85.0	2.2	2.2
	804.5	758.7	783.2	1,004.2	848.1	848.1
Labour						
(S) Payments of compensation respecting government employees and merchant seamen	0.0	0.0	0.0	0.0	0.0	0.0
Total Statutory Transfer Payments	804.7	758.8	783.4	1,004.4	848.1	848.1

TABLE 9-C: DETAILS ON TRANSFER PAYMENTS PROGRAMS

HRSDC has a number of transfer payment programs. These programs support individuals, communities, labour, other governments and Aboriginal organizations. HRSDC is subject to the revised policy on transfer payments, which was introduced on June 1, 2000. That policy requires departments to report on those payment programs that are worth at least \$5 million. In so doing, the Department is helping to demonstrate sound management of, control over, and accountability for our transfer payments.

Consistent with this policy, the Department has developed descriptive material on each program including stated objectives, expected results and outcomes, and milestones for achievement. The following is a list of the active transfer payment programs over \$5 million.

Note: Actual figures reflect program costs and exclude operating resources necessary to deliver the programs.

1. Youth Employment Strategy
2. National Literacy Program
3. Canada Student Loans Program – Liabilities
4. Canada Student Loans Program – Interest Payments and Liabilities
5. Canada Student Loans Program – Direct Financing Arrangement
6. Canada Study Grants
7. Canada Learning Bond
8. Canada Education Savings Grant
9. Aboriginal Skills and Employment Partnerships
10. Aboriginal Human Resources Development Strategy
11. Aboriginal Human Resources Development Program – the Joint Voisey's Bay Employment and Training Authority (JETA)
12. Training Centre Infrastructure Fund
13. Sector Council Program
14. Foreign Credential Recognition Program
15. Enabling Fund for Official Language Minority Communities
16. National Homelessness Initiative
17. Workplace Skills Strategy

Supplementary information on Transfer Payment Programs can be found at <http://www.tbs-sct.gc.ca/est-pre/estime.asp>

TABLE 10: FOUNDATIONS (CONDITIONAL GRANTS)

During fiscal year 2005–2006, HRSDC was involved in the following Foundations.

1. The Canada Millennium Scholarship Foundation
2. Canadian Council on Learning
3. Peter Gzowski Foundation for Literacy
4. Read to Me! Foundation Inc.
5. The Winnipeg Foundation

Further information on these Foundations (Conditional Grants) can be found at:
<http://www.tbs-sct.gc.ca/est-pre/estime.asp>

TABLE 11: HORIZONTAL INITIATIVES

During fiscal year 2005–2006 HRSDC was involved in the following horizontal initiatives. Unless otherwise mentioned in the list, HRSDC acts as the lead department for these initiatives.

1. Aboriginal Human Resources Development Strategy
2. Aboriginal Skills and Employment Partnership Program
3. Canada Student Loans Program
4. Foreign Credential Recognition
5. Labour Market Development Agreements
6. National Homelessness Initiative
7. National Literacy Program
8. Sector Council Program
9. Service Canada
10. Youth Employment Strategy

For further information on the above-mentioned horizontal initiatives, see:
<http://www.tbs-sct.gc.ca/est-pre/estime.asp>

TABLE 12: RESPONSE TO PARLIAMENTARY COMMITTEES, AUDITS AND EVALUATIONS

Response to Parliamentary Committees	
STANDING COMMITTEE REPORTS	COMMENTS
<p>STANDING COMMITTEE ON HUMAN RESOURCES, SKILLS DEVELOPMENT, SOCIAL DEVELOPMENT AND THE STATUS OF PERSONS WITH DISABILITIES</p> <p>38th Parliament, 1st session</p> <ul style="list-style-type: none"> • Report 1 – Bill C-5, An Act to provide financial assistance for post-secondary education savings (Presented to the House on November 26, 2004) • Report 2 – Study on Employment Insurance Funds (Presented to the House on January 31, 2005). Government Response: 8510-381-56, Second Report of the Committee, "Restoring Financial Governance and Accessibility in the Employment Insurance Program: Part One" (Presented to the House on May 13, 2005). • Report 3 – Study on Employment Insurance Funds (Presented to the House on February 15, 2005). Government Response: Third Report of the Committee, "Restoring Financial Governance and Accessibility in the Employment Insurance Program" (Presented to the House on May 13, 2005) • Report 4 – Bill C-23, An Act to establish the Department of Human Resources and Skills Development and to amend and repeal certain related Acts (Presented to the House on February 16, 2005) <p>39th Parliament, 1st session</p> <ul style="list-style-type: none"> • Report 1 – Summer Career Placement Program (Presented to the House on May 31, 2006) Government Response to be provided by September 28, 2006. • Report 2 – Study on Employment Insurance Funds (Presented to the House on May 31, 2006) Government Response to be provided by September 28, 2006. • Report 3 – Pilot Project on Increased Weeks of Employment Insurance Benefits (Pilot Project No.6) (Presented to the House on May 31, 2006) 	<p>The Bill received Royal Assent on December 15, 2004. The Act came into force on July 1, 2005, other than sections 4, 12, 17 and 20 to 22, which came into force on assent.</p> <p>Bill C-23 received Royal Assent on July 20, 2005. The Act came into force on October 5, 2005, except sections 82 and 83, which came into force upon assent.</p> <p>To be put to a concurrence motion.</p>

**TABLE 12: RESPONSE TO PARLIAMENTARY COMMITTEES,
AUDITS AND EVALUATIONS (continued)**
**STANDING COMMITTEE ON THE STATUS
OF WOMEN**

39th Parliament, 1st session

- **Report 4** – Moving forward on the Pay Equity Task Force Recommendations (Presented to the House on May 19, 2006) Government Response to be provided by September 16, 2006.

- **Report 5** – Interim Report on the Maternity and Parental Benefits under Employment Insurance: The Exclusion of Self-employed Workers Response to be provided by September 16, 2006.

STANDING COMMITTEE ON PUBLIC ACCOUNTS

38th Parliament, 1st session

- **Report 6** – Public Accounts of Canada 2004 (Presented to the House on February 8, 2005) Government Response: Sixth Report of the Standing Committee of Public Accounts, (Public Accounts of Canada 2003-2004) The President of the Treasury Board presented the response to the House on June 22, 2005)

Recommendations 1-4 refer to the Employment Insurance Program.

Response to the Auditor General (including to the Commissioner of the Environment and Sustainable Development—CESD)

CHAPTERS	COMMENTS
<p>CHAPTER 4 – MANAGING HORIZONTAL INITIATIVES, NOVEMBER 2005</p> <p><i>Issue:</i> Improvements needed to the governance, accountability and coordination of federal efforts for horizontal initiatives.</p>	<p>In 2005, the Office of the Auditor General reported on horizontal initiatives, and commented specifically on insufficient links between National Homelessness Initiative (NHI) and health programs and the need for better alignment of programs between CMHC and HRSDC. The Department moved to strengthen these links, including linking the National Research Program with the Canadian Institute for Health Research, and collaboration on issues as diverse as HIV/AIDS and family violence. Further, co-ordination between the Department and CMHC was exemplified through the joint preparation of a transformative approach to Aboriginal Housing. The audit recommendations were all addressed to the Treasury Board Secretariat and the Privy Council Office.</p> <p>The responses are available at: http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20051104ce.html</p>

TABLE 12: RESPONSE TO PARLIAMENTARY COMMITTEES, AUDITS AND EVALUATIONS (continued)

Response to the Auditor General (including to the Commissioner of the Environment and Sustainable Development—CESD)

CHAPTERS	COMMENTS
<p>CHAPTER 8 – OTHER AUDIT OBSERVATIONS – CHANGES TO THE <i>EMPLOYMENT INSURANCE ACT</i>: A NEW RATE-SETTING PROCESS, NOVEMBER 2005</p> <p><i>Issue:</i> Factual and neutral information about the Employment Insurance new rate-setting process.</p>	<p>In June 2005, the <i>Employment Insurance Act</i> was amended to reflect a new rate-setting process, beginning with the 2006 premium rate. The accumulated surplus in the Account is no longer to be considered when calculating the break-even premium rate.</p>
<p>CHAPTER 6 – THE MANAGEMENT OF VOTED GRANTS AND CONTRIBUTIONS, MAY 2006</p> <p><i>Issue:</i> Departments have yet to streamline the management of grants and contributions in a way that would reduce the administrative burden on recipients.</p>	<p>This audit included a review of the Summer Career Placement Initiative. The Department's performance is rated positively on all elements of the management control framework. The Government created an Independent Blue Ribbon Panel to recommend measures to make the delivery of grant and contribution programs more efficient while ensuring greater accountability. The Department is contributing to this process, along with the Treasury Board Secretariat and other departments to address recipients concerns.</p> <p>In early 2005, the <i>Task Force on Community Investments</i> (TFCI) was created within SDC, to examine federal policies and practices relating to the use of transfer payments and the funding of horizontal initiatives in support of community investments. It is anticipated that this work will result in more consistent, results-oriented funding practices across the federal government and a seamless, horizontal approach to supporting investments in communities.</p> <p>The audit recommendations were mostly addressed to the Treasury Board Secretariat. The government's response can be found at http://www.oag-bvg.gc.ca/domino/reports.nsf/html/20060506ce.html</p>
<p>COMMISSIONER OF THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT ANNUAL REPORT - CHAPTER 7 – SUSTAINABLE DEVELOPMENT STRATEGIES, SEPTEMBER 2005</p> <p><i>Issue:</i> HRSDC's sustainable development strategy has not met or met partially some of the quality criteria assessed.</p>	<p>The quality of the former Human Resources Development Canada 2004-2006 Sustainable Development Strategy was assessed as part of the audit. The Department is developing a vision, policy and role for sustainable development, which will guide the drafting of the next Sustainable Development Strategy for the years 2007-2009.</p>

TABLE 12: RESPONSE TO PARLIAMENTARY COMMITTEES, AUDITS AND EVALUATIONS (continued)

External Audits (Note: These refer to other external audits conducted by the public Service Commission of Canada or the Office of the Commissioner of Official Languages)

STANDING COMMITTEE REPORTS	COMMENTS
N/A	

Internal Audits or Evaluations*	
TO PROVIDE CANADIANS WITH:	AS DEMONSTRATED BY THE FINDINGS OF THE FOLLOWING:
Efficient and inclusive labour market transitions through temporary income support and active employment measures	<p>Evaluations</p> <ul style="list-style-type: none"> • Report produced in support of the 2004 Employment Insurance Monitoring and Assessment Report • EI – Evaluation of Preventive Withdrawal • LMDA – Nunavut – Formative Evaluation • LMDA NFLD - Summative Evaluation • Formative Evaluation of Youth Employment Strategy • Summative Evaluation of Work Sharing While Learning and Increased Referrals to Training • Summative Evaluation of the Temporary Fisheries Income Program Initiative
Enhanced productivity and competitiveness of Canadian workplaces by supporting investment in and recognition and utilization of skills	<p>Evaluations</p> <ul style="list-style-type: none"> • Summative Evaluation of Learning Initiative Program
Through access to learning, Canadians can participate fully in a knowledge-based economy and society	<p>Audits</p> <ul style="list-style-type: none"> • Audit Of Canada Student Loans – Service Providers
Safe, healthy, fair, stable, cooperative and productive workplaces	<p>Evaluations</p> <ul style="list-style-type: none"> • Evaluation of Labour Program Supplementary Funding
Seamless, integrated and multi-channel service delivery that ensures client satisfaction	<p>Audits</p> <ul style="list-style-type: none"> • Audit of Managed Network Services
Other Audits and Evaluations	<p>Audits</p> <ul style="list-style-type: none"> • Audit of the Toronto Waterfront Revitalization Initiative (TWRI).

* Approved by the Audit and Evaluation Committee.

TABLE 13: SUSTAINABLE DEVELOPMENT STRATEGY

Due to the reorganization of HRDC, the Ministers for HRSDC, Social Development Canada, and Labour and Homelessness jointly tabled HRDC's third-generation Sustainable Development Strategy (SDS-III) in Parliament in February 2004. Sustainable Development Strategies are updated every three years, and separate departmental Strategies will be developed for tabling in 2006.

The vision and policy to guide the development of the next strategy, and identification of the role and fit of sustainable development with other planning documents was the priority for both HRSDC and SDC during 2005-2006. Consultations were held, options papers produced, a draft vision as well as the role and fit of sustainable development in our policy and programs were developed.

An important part of sustainable development is helping vulnerable groups of our society. Reducing the risk of homelessness is integral to fostering sustainable communities and the Department continues to assist communities in addressing homelessness by providing them with the tools to develop a range of interventions. Action for Neighborhood Change has integrated the efforts of several federal departments, and four national non-government organizations to support the building of community capacity and leadership in five communities in four provinces across Canada.

A number of the SDS-III targets are aimed at 'greening' the operations of the Department. The Department continues to explore opportunities to increase ethanol use in our fleet. Information sessions were delivered to Procurement and Contracting officers in National Headquarters and in Regional offices.

Detailed information on the current Sustainable Development Strategy (SDS-III), including specific goals, objectives and targets can be accessed at the following departmental website:
<http://www.hrsdc.gc.ca/en/cs/fas/as/sds/sdd.shtml>.

TABLE 14: PROCUREMENT AND CONTRACTING

Procurement and contracting is administered by Social Development Canada (SDC) on behalf of both HRSDC and SDC. Please see page 167.

TABLE 15: TRAVEL POLICIES

HRSDC applied the TBS travel policy parameters with respect to departmental travel transactions.

SPECIFIED PURPOSE ACCOUNTS

Introduction

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

HRSDC is responsible for the stewardship of three such accounts:

- the Employment Insurance (EI) Account;
- the Government Annuities Account; and
- the Civil Service Insurance Fund.

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

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

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

The following information updates forecasted data on the EI Account that we provided in our *2005-2006 Report on Plans and Priorities*.²⁵ That report presented multi year financial data and general information. Additional information on performance and year end data is available at the internet addresses provided in this section.

²⁵ For further information, see http://www.tbs-sct.gc.ca/est-pre/20052006/HRSDC-RHDCC/HRSDC-RHDCCr56_e.asp

Employment Insurance Account

The table below summarizes the financial results for the Employment Insurance (EI) Account from 2003-2004 to 2005-2006.

EI ACCOUNT – STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS ^a			
(millions of dollars)	Actual		
	2003-2004	2004-2005	2005-2006
Expenditures			
Benefits	15,070	14,748	14,418
Administrative Costs	1,521	1,542	1,576
Doubtful Accounts ^b	60	95	56
Total Expenditures	16,651	16,385	16,050
Revenue			
Premiums	17,900	17,655	16,917
Penalties	47	51	50
Interest	1,125	995	1,352
Total Revenue	19,072	18,701	18,319
Surplus			
Current Year	2,421	2,316	2,269
Cumulative	46,233	48,549	50,818
Premium Rate	2004	2005	2006
(% of Insurable Earnings)			
Employee	2.10%	1.98%	1.87%
Employer	2.94%	2.77%	2.62%

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

^b Represents the write-offs and estimates of uncollectible account receivables for benefit overpayments and penalties imposed.

In 2005-2006, total revenue exceeds total expenditures by \$2.3 billion, increasing the cumulative surplus to \$50.8 billion. It should be noted that \$1.4 billion of the current year surplus came from the interest earned on the cumulative surplus of the Account. Benefits declined mainly due to a decrease in the number of beneficiaries at a lower unemployment rate and the implementation of the Quebec Parental Insurance Plan (QPIP) in 2006, as maternity and parental benefits in Quebec are now paid by the Province of Quebec. The decrease was offset by a higher average weekly benefit. EI premiums decreased mainly due to the lower premium rate and the premium reduction offered to Quebec residents under QPIP. The decrease was offset partially by the increase in employment and earnings.

More detailed information is reported in the 2005-2006 audited EI Account financial statements that are included in the *2006 Public Accounts of Canada*, Volume 1, Section 4.²⁶ HRSDC also offers a website dedicated to Employment Insurance.²⁷ It provides information on the authority, objectives and details of the program as well as linkages to the Actuarial Reports and Monitoring and Assessment Reports.

Government Annuities Account

The table below summarizes the financial results for the Government Annuities Account from 2003-2004 to 2005-2006.

GOVERNMENT ANNUITIES ACCOUNT – RECEIPTS AND DISBURSEMENTS			
(millions of dollars)	Actual		
	2003-2004	2004-2005	2005-2006
Actuarial Liabilities –			
Balance at Beginning of Year	437.6	405.8	377.2
Income	28.5	26.3	24.5
Payments and Other Charges	57.8	54.6	51.0
Excess of Payments and Other Charges Over Income for the Year	29.3	28.3	26.5
Actuarial Surplus	2.5	0.3	3.5
Actuarial Liabilities –			
Balance at End of the Year	405.8	377.2	347.2

The annual report and financial statements for Government Annuities are available in the *2006 Public Accounts of Canada*, Volume 1, Section 6.²⁸

²⁶ For further information, see <http://www.pwgsc.gc.ca/recgen/text/pub-acc-e.html>

²⁷ For further information, see http://www.hrsdc.gc.ca/en/ei/legislation/ei_act_tofprov_1.shtml

²⁸ For further information, see <http://www.pwgsc.gc.ca/recgen/text/pub-acc-e.html>

Civil Service Insurance Fund

The table below summarizes the financial results for the Civil Service Insurance Fund from 2003-2004 to 2005-2006.

CIVIL SERVICE INSURANCE FUND – RECEIPTS AND DISBURSEMENTS			
(millions of dollars)	Actual		
	2003-2004	2004-2005	2005-2006
Revenue			
Opening Balance	7.5	7.1	6.6
Receipts and Other Credits	0.2	0.0	0.1
Payments and Other Charges	0.6	0.5	0.4
Excess of Payments and Other Charges Over Income for the Year	0.4	0.5	0.3
Balance at End of the Year	7.1	6.6	6.3

The annual report and financial statements for the Civil Service Insurance Fund are available in the *2006 Public Accounts of Canada*, Volume 1, Section 6.²⁹

²⁹ For further information, see <http://www.pwgsc.gc.ca/recgen/text/pub-acc-e.html>

CONSOLIDATED REPORT ON CANADA STUDENT LOANS PROGRAM

In August 2000, the Canada Student Loans Program (CSLP) was shifted from the risk-shared financing arrangements that had been in place with financial institutions between 1995 and July 2000 to a direct student loan financing plan.³⁰ In the new arrangement, the Government of Canada provides the necessary funding to students and two service providers have contracts to administer the loans.

Reporting Entity

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

Basis of Accounting

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

Specific Accounting Policies

Revenues

Two sources of revenue are reported: interest revenue on Direct Loans and recoveries on Guaranteed and Put Back Loans. Government accounting practices require that recoveries from both sources be credited to the government's Consolidated Revenue Fund. They do not appear along with the expenditures in the CSLP accounts, but are reported separately in the financial statements of Human Resources and Social Development Canada (HRSDC) and the government.

- **Interest Revenue on Direct Loans** – Borrowers are required to pay simple interest on their student loans once they leave full-time studies. At the time they leave school, students have the option of selecting a variable (prime + 2.5%) or fixed (prime + 5%) interest rate. The figures represent the interest accrued on the outstanding balance of the government-owned Direct Loans. Borrowers continue to pay the interest accruing on the guaranteed and risk-shared loans directly to the private lender holding these loans. Effective August 1, 2005, the weekly loan limit increased from \$165 per week to \$210 per week of study. As more funds will be available to students, total loan disbursements will likely grow, and as a result the interest revenue generated will likely increase.
- **Recoveries on Guaranteed Loans** – The government reimburses the private lenders for any loans issued prior to August 1, 1995 that go into default (i.e., lenders claim any amount of principal and interest not repaid in full). The figures represent the recovery of principal and interest on these defaulted loans.
- **Recoveries on Put-back Loans** – Under the risk-shared agreements, the government will purchase from the participating financial institutions any loans issued between August 1, 1995 to July 31, 2000 that are in default of payments for at least 12 months after the period of study, that in aggregate, do not exceed 3% of the average monthly balance of the lender's outstanding student loans in repayments. The amount paid is set at 5% of the value of the loans in question. The figures represent the recovery of principal and interest on these loans.

Canada Study Grants and Canada Access Grants

Canada Study Grants and Canada Access Grants improve access to post-secondary education by providing non-repayable financial assistance to post-secondary students. Four types of Canada Study Grants are available to assist: (1) students with permanent disabilities in order to meet disability-related educational expenses (up to \$8,000 annually); (2) students with dependants (up to \$3,120 for full-time students and up to \$1,920 for part-time students, annually); (3) high-need part-time students

³⁰ For further information on the Canada Student Loans Program, see http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/cslp.shtml

(up to \$1,200 annually); and (4) women in certain fields of Ph.D. studies (up to \$3,000 annually for up to three years). Two Canada Access Grants are available since August 1, 2005, to assist: (1) students from low-income families entering their first year of post-secondary studies (50% of tuition, up to \$3,000); and (2) students with permanent disabilities in order to assist with education and living expenses (up to \$2,000 annually)³¹.

Collection Costs

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

Service Provider Costs

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

Risk Premium

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

Put-Back

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

Administrative Fees to Provinces and Territories

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

In-Study Interest Borrowing Expense

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

In-Repayment Interest Borrowing Expense

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

³¹ The new Canada Access Grant for Student with Permanent disabilities has replaced the Canada Study Grant for High-need Students with Permanent Disabilities.

In-Study Interest Subsidy

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

Interest Relief

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

Debt Reduction in Repayment

Debt Reduction in Repayment (DRR) assists borrowers experiencing long-term difficulties repaying their loans. DRR is a federal repayment assistance program through which the Government of Canada reduces a qualifying borrower's outstanding Canada Student Loans principal to an affordable amount after Interest Relief has been exhausted and only after 5 years have passed since the borrower ceased to be a student. As of August 1, 2005, the maximum amount of DRR assistance is \$26,000, which is available to eligible borrowers in an initial deduction of up to \$10,000, a second deduction of up to \$10,000 and a final deduction of up to \$6,000. For loans issued prior to August 1, 2000, CSLP pays the lending institutions the amount of student debt principal reduced by the Government of Canada under DRR. For loans issued after August 1, 2000, the Government of Canada forgives a portion of the loan principal.

Claims Paid and Loans Forgiven

From the beginning of the program in 1964 until July 31, 1995, the government fully guaranteed all loans issued to students by private lenders. The government reimburses private lenders for any of these loans that go into default (i.e., subject to specific criteria, lenders may claim any amount of principal and interest not repaid in full, after which the Canada Revenue Agency's (CRA) Collection Services will attempt to recover these amounts).³² The risk-shared arrangements also permitted loans issued from August 1, 1995 to July 31, 2000 to be guaranteed under specific circumstances. This item represents the costs associated with loan guarantees.

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

Bad Debt Expense

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

Alternative Payments to Non-participating Provinces and Territories

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

³² An announcement was made on August 1, 2005 which transfers collections activities previously carried out by Social Development Canada (SDC) to Canada Revenue Agency.

CONSOLIDATED CANADA STUDENT LOANS PROGRAMS – COMBINED PROGRAMS				
(millions of dollars)	Actual		2005-2006	
	2003-2004	2004-2005	Forecast	Actual
Revenues				
Interest Revenue on Direct Loans	174.3	226.6	286.6	315.7
Recoveries on Guaranteed Loans	91.3	76.2	63.7	66.8
Recoveries on Put-Back Loans	9.6	11.0	13.6	13.1
Total Revenues	275.2	313.8	363.9	395.6
Expenses				
<i>Transfer Payments</i>				
Canada Study Grants and Canada Access Grants	66.8	64.5	128.0	129.7
<i>Loan Administration</i>				
Collection Costs ^a	13.4	14.8	19.4	13.6
Service Bureau Costs	41.0	46.0	66.3	50.2
Risk Premium	11.7	5.5	7.5	2.7
Put-Back	4.3	4.2	4.9	4.3
Administrative Fees to Provinces and Territories	8.8	9.4	15.7	13.9
Total Loan Administration Expenses	79.2	79.9	113.8	84.7
<i>Cost of Government Support</i>				
<i>Benefits Provided to Students</i>				
In-Study Interest Borrowing Expense (Class A) ^b	148.6	163.8	173.4	159.3
In Repayment Interest Borrowing Expense (Class B) ^b	68.1	96.6	164.3	111.4
In-Study Interest Subsidy	27.4	16.1	13.8	12.1
Interest Relief	73.8	63.2	66.8	67.2
Debt Reduction in Repayment	10.7	27.1	20.7	31.4
Claims Paid & Loans Forgiven	34.8	27.7	17.9	24.8
<i>Bad Debt Expense^c</i>				
Debt Reduction in Repayment Expense	11.5	11.5	12.2	13.3
Bad Debt Expense	193.3	456.2	219.7	297.2
Total Cost of Government Support Expenses	568.2	862.2	688.8	716.7
Total Expenses	714.2	1,006.6	930.6	931.1
Net Operating Results	439.0	692.8	566.7	535.5
Alternative Payments to Non-Participating Provinces ^d	244.8	175.8	146.6	158.2
Final Operating Results	683.8	868.6	713.3	693.7

^a These costs are related to Canada Student Direct Loans but reported by the Department of Social Development Canada (SDC).

^b These costs are related to Canada Student Direct Loans but reported by the Department of Finance.

^c This represents the annual expense against the Provisions for Bad Debt and Debt Reduction in Repayment as required under Accrual Accounting. The Bad Debt Expense figure for 2004-2005 include an adjustment of \$257.1M following the revised Bad Debt Provision Rate published by the Office of the Chief Actuary in the Actuarial Report on the CSLP as at July 31, 2004. This adjustment is retroactive back to the beginning of the Direct Loans Regime (2000).

^d Starting in 2003-2004, the figures represent the annual expense recorded under the Accrual Accounting as opposed to the actual amount disbursed to the Non-Participating Provinces. For 2005-2006, the total amount disbursed as Alternative Payments is \$161.3 M.

CONSOLIDATED CANADA STUDENT LOANS PROGRAMS – RISK SHARED AND GUARANTEED LOANS ONLY				
(millions of dollars)	Actual		2005-2006	
	2003-2004	2004-2005	Forecast	Actual
Revenues				
Recoveries on Guaranteed Loans	91.3	76.2	63.7	66.8
Recoveries on Put-Back Loans	9.6	11.0	13.6	13.1
Total Revenues	100.9	87.2	77.3	79.9
Expenses				
<i>Loan Administration</i>				
Collection Costs ^a	9.3	7.8	7.1	6.7
Risk Premium	11.7	5.5	7.5	2.7
Put-Back	4.3	4.2	4.9	4.3
Total Loan Administration Expenses	25.3	17.5	19.5	13.7
<i>Cost of Government Support</i>				
<i>Benefits Provided to Students</i>				
In-Study Interest Subsidy	27.4	16.1	13.8	12.1
Interest Relief	53.8	34.8	23.0	23.3
Debt Reduction in Repayment	10.7	27.1	20.7	31.4
Claims Paid & Loans Forgiven	33.3	25.7	15.1	15.7
Total Cost of Government Support Expenses	125.2	103.7	72.6	82.5
Total Expenses	150.5	121.2	92.1	96.2
Final Operating Results	49.6	34.0	14.8	16.3

^a These costs are related to Canada Student Direct Loans but reported by the Department of Social Development Canada (SDC).

CONSOLIDATED CANADA STUDENT LOANS PROGRAMS – DIRECT LOANS ONLY				
(millions of dollars)	Actual		2005-2006	
	2003-2004	2004-2005	Forecast	Actual
Revenue				
Interest Revenue on Direct Loans	174.3	226.6	286.6	315.7
Total Revenue	174.3	226.6	286.6	315.7
Expenses				
<i>Transfer Payments</i>				
Canada Study Grants and Canada Access Grants	66.8	64.5	128.0	129.7
<i>Loan Administration</i>				
Collection Costs ^a	4.1	7.0	12.3	6.9
Service Bureau Costs	41.0	46.0	66.3	50.2
Administrative Fees to Provinces and Territories	8.8	9.4	15.7	13.9
Total Loan Administration Expenses	53.9	62.4	94.3	71.0
<i>Cost of Government Support</i>				
<i>Benefits Provided to Students</i>				
In-Study Interest Borrowing Expense (Class A) ^d	148.6	163.8	173.4	159.3
In Repayment Interest Borrowing Expense (Class B) ^d	68.1	96.6	164.3	111.4
Interest Relief	20.0	28.4	43.8	43.9
Loans Forgiven	1.5	2.0	2.8	9.1
<i>Bad Debt Expense^c</i>				
Debt Reduction in Repayment Expense	11.5	11.5	12.2	13.3
Bad Debt Expense	193.3	456.2	219.7	297.2
Total Cost of Government Support Expenses	443.0	758.5	616.2	634.2
Total Expenses	563.7	885.4	838.5	834.9
Net Operating Results	389.4	658.8	551.9	519.2
Alternative Payments to Non-Participating Provinces ^d	244.8	175.8	146.6	158.2
Final Operating Results	634.2	834.6	698.5	677.4

^a These costs are related to Canada Student Direct Loans but reported by the Department of Social Development Canada (SDC).

^b These costs are related to Canada Student Direct Loans but reported by the Department of Finance.

^c This represents the annual expense against the Provisions for Bad Debt and Debt Reduction in Repayment as required under Accrual Accounting. The Bad Debt Expense figure for 2004-2005 include an adjustment of \$257.1M following the revised Bad Debt Provision Rate published by the Office of the Chief Actuary in the Actuarial Report on the CSLP as at July 31, 2004. This adjustment is retroactive back to the beginning of the Direct Loans Regime (2000).

^d Starting in 2003-2004, the figures represent the annual expense recorded under the Accrual Accounting as opposed to the actual amount disbursed to the Non-Participating Provinces. For 2005-2006, the total amount disbursed as Alternative Payments is for \$161.3M.

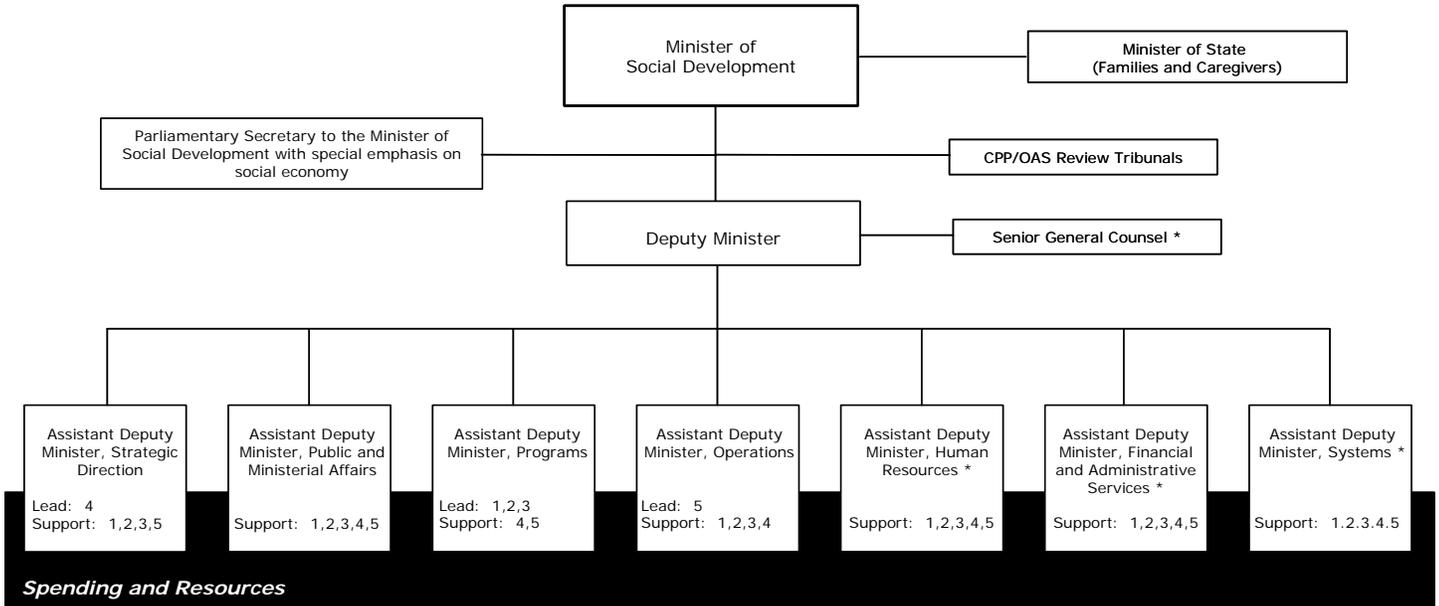


SUPPLEMENTARY INFORMATION - SOCIAL DEVELOPMENT CANADA

ORGANIZATIONAL INFORMATION

The organizational model for SDC sets out a branch structure in which each branch is dedicated to achieving one or more program activities by leading the activity, supporting it or both, and by managing the resources and responsibilities allocated under them.

Diagram 4: Former SDC Organizational Chart



Spending and Resources

Program Activity	(\$M)	FTEs
P.A. 1 – Income Support	51,161.0	3,712
P.A. 2 – Inclusion and Participation	3,730.7	1,200
P.A. 3 – Vibrant Communities	67.5	169
P.A. 4 – Investments in Children and Families	2.3	
P.A. 5 – Service Innovation	129.3	1,551
Other Costs	152.9	
TOTAL SDC Consolidated	55,243.7	6,632

* These branches also provide services to Human Resources and Skills Development Canada (HRSDC). Social Development Canada (SDC) is responsible for providing shared corporate services in the areas of human resources, financial and administrative services, and corporate systems, to both SDC and HRSDC. Effective 2005-2006, the resources for shared services have been apportioned between the two departments to better reflect the cost of delivering the programs and corporate services for each department.

FINANCIAL PERFORMANCE OVERVIEW

In 2005-2006, the department was authorized to spend \$55,294.3 million or \$410.2 million more than the consolidated planned spending of \$54,884.1 million (tables 1 and 3). The variance is explained by:

- A net increase of \$233.4 million in statutory payment authorities mostly related to:
 - Guaranteed Income Supplement (\$161.5 million) resulting from increases in the average monthly rate and in the number of recipients,
 - Allowance Payment (\$21.1 million) due to increases in the average monthly rate, partially offset by a decrease in the number of recipients,
 - Energy cost benefits (\$210.5 million) which are one-time payments of \$125 (or \$250 for couples) made to seniors entitled to receive the Guaranteed Income Supplement or the Allowance to deal with the rising energy costs, and
 - Contributions to the Employee Benefit Plan (\$10.9 million),
 - Offset by a decrease of \$165.3 million for Old Age Security (OAS) as a result of changes in the monthly rate, the number of recipients and in the repayments of OAS benefits as well as a decrease of \$5.8 million in payments to Private Collection agencies;
- An increase of \$161.6 million in the Specified Purpose Accounts. In the Canada Pension Plan account, the increase is mostly attributable to benefits (\$125 million) due to changes in the average monthly rate and in the population, and administration costs related to collective bargaining (\$7.6 million) and to 2004-2005 operating budget carry forward (\$10.8 million). In the Employment Insurance Account, the increase in departmental administrative costs (\$18.6 million) is due to collective bargaining increases;
- An increase of \$19.3 million in net operating expenditures mainly due to:
 - Compensation for salary adjustments (\$17.5 million),
 - Funding to administer the Canada Student Loans Program (\$5.4 million),
 - Initiatives to support the implementation of a common electronic infrastructure and multi-channel service delivery strategy (Government On-Line) (\$4.9 million),
 - Funding for administration costs related to one-time payments for energy costs incurred by low income seniors and families with children (\$3 million), and
 - Funding to modernize human resources management in the Federal Public Service (\$1.8 million),
 - Offset by \$13.3 million related to items not sought in the Governor General Warrants;
- A decrease of \$4.1 million in grants and contributions for items not sought in the Governor General Warrants.

The actual consolidated expenditures of \$55,243.7 million were \$50.6 million lower than our total consolidated authorities of \$55,294.3 million. The variance is explained by:

- A net operating lapse of \$34.1 million related to \$24.3 million in frozen resources and \$9.8 million in general lapse. The frozen items are related to ERC departmental savings (\$11.2 million), the Canada Student Loans Program (\$4.4 million) and year-end transfer price between non-salary and salary (\$8.7 million);
- A Grants and Contributions lapse of \$3.5 million;
- A lapse of \$12.7 million in the departmental recoveries from the EI account and the CPP account; and
- A lapse of \$0.3 million in spending proceeds from the disposal of surplus Crown assets.

TABLE 1: COMPARISON OF PLANNED TO ACTUAL SPENDING					
(millions of dollars)	2004-2005 Actual	2005-2006			
		Main Estimates	Planned Spending	Authorities	Actual
Program Activities					
Income Support	28,076.9	29,299.0	29,383.0	29,579.4	29,557.1
Inclusion and Participation	294.8	360.4	369.3	370.8	357.8
Vibrant Communities	42.8	51.1	67.1	75.5	67.5
Investments in Children and Families	1.6	4.4	4.4	4.6	2.3
Service Innovation	95.5	61.5	60.8	138.8	129.3
Effective Corporate Services	829.2 ^a	-	-	-	-
Total Gross Expenditures	29,340.8	29,776.4	29,884.6	30,169.1	30,114.0
Respendable revenues	(780.8)	(276.7)	(276.3)	(312.2)	(295.0)
Total Net Expenditures	28,560.0	29,499.7	29,608.3	29,856.9	29,819.0
Plus: Specified Purpose Accounts					
Canada Pension Plan	24,148.8		25,247.4	25,385.0	25,385.2
Departmental Recoveries charged to EI	560.6		53.1	71.7	66.6
Departmental Employee Benefit Plan recoverable from CPP Account	(25.9)		(24.7)	(19.3)	(27.1)
Consolidated Total SDC	53,243.5		54,884.1	55,294.3	55,243.7
Less: Non-Respendable Revenues	83.5		34.7	41.3	41.3
Plus: Cost of services received without charge	12.2		13.2	14.4	14.4
Net cost of SDC	53,172.2		54,862.6	55,267.4	55,216.8
Full Time Equivalents	11,390	6,283	6,307	6,655	6,632

^a Includes Shared Services for both HRSDC and SDC. In 2005-2006, HRSDC's portion of the Shared Services was transferred to HRSDC. The remainder of Corporate Services was charged to the other program activities.

Note

2003-2004 Actuals are not available for comparison purposes because the Program Activity Architecture (PAA) for 2003-2004 is not the same as the current PAA.

TABLE 2: USE OF RESOURCES BY PROGRAM ACTIVITY

2005-2006							
(millions of dollars)	Operating	Voted Grants and Contributions	Sub-total: Gross Expenditures	Statutory Grants ^b and Contribution	Total Gross Expenditures	Less: Respendable Revenues	TOTAL
Income Support							
Main Estimates ^a	406.0	-	406.0	28,893.0	29,299.0	(160.6)	29,138.4
<i>Planned Spending</i>	408.0	-	408.0	28,975.0	29,383.0	(160.6)	29,222.4
Authorities	376.6	-	376.6	29,202.8	29,579.4	(128.6)	29,450.8
<i>Actual</i>	354.3	-	354.3	29,202.8	29,557.1	(126.2)	29,430.9
Inclusion and Participation							
Main Estimates ^a	111.7	248.7	360.4	-	360.4	(62.5)	297.9
<i>Planned Spending</i>	114.6	254.7	369.3	-	369.3	(62.5)	306.8
Authorities	125.6	245.2	370.8	-	370.8	(75.5)	295.3
<i>Actual</i>	114.4	243.4	357.8	-	357.8	(68.5)	289.3
Vibrant Communities							
Main Estimates ^a	19.0	32.1	51.1	-	51.1	-	51.1
<i>Planned Spending</i>	24.7	42.4	67.1	-	67.1	-	67.1
Authorities	27.7	47.8	75.5	-	75.5	-	75.5
<i>Actual</i>	21.4	46.1	67.5	-	67.5	-	67.5
Investments in children and families							
Main Estimates ^a	4.4	-	4.4	-	4.4	-	4.4
<i>Planned Spending</i>	4.4	-	4.4	-	4.4	-	4.4
Authorities	4.6	-	4.6	-	4.6	-	4.6
<i>Actual</i>	2.3	-	2.3	-	2.3	-	2.3
Service Innovation							
Main Estimates ^a	61.5	-	61.5	-	61.5	(53.6)	7.9
<i>Planned Spending</i>	60.8	-	60.8	-	60.8	(53.2)	7.6
Authorities	138.8	-	138.8	-	138.8	(108.1)	30.7
<i>Actual</i>	129.3	-	129.3	-	129.3	(100.3)	29.0
Total							
Main Estimates ^a	602.6	280.8	883.4	28,893.0	29,776.4	(276.7)	29,499.7
<i>Planned Spending</i>	612.5	297.1	909.6	28,975.0	29,884.6	(276.3)	29,608.3
Authorities	673.3	293.0	966.3	29,202.8	30,169.1	(312.2)	29,856.9
<i>Actual</i>	621.7	289.5	911.2	29,202.8	30,114.0	(295.0)	29,819.0

^a As published in Main Estimates 2005-2006.

^b Excludes Specified Purpose Accounts.

TABLE 3: VOTED AND STATUTORY ITEMS

Vote/ Statutory item	(millions of dollars)	2005-2006			
		Main Estimates ^a	Planned Spending	Authorities	Actual
	Department				
1	Operating expenditures	244.0	254.0	273.3	239.2
5	Grants and contributions	280.8	297.1	293.0	289.5
(S)	Minister of Human Resources Development - Salary and motor car allowance	0.1	0.1	0.1	0.1
(S)	Old Age Security Payments	22,209.0	22,209.0	22,043.7	22,043.7
(S)	Guaranteed Income Supplement payments	6,233.0	6,315.0	6,476.5	6,476.5
(S)	Allowance Payments	451.0	451.0	472.1	472.1
(S)	Energy Cost Benefits	-	-	210.5	210.5
(S)	Payments to private collection agencies pursuant to Section 17.1 of the <i>Financial Administration Act</i>	19.4	19.4	13.6	13.6
(S)	Spending proceeds from the disposal of surplus Crown assets	-	-	0.5	0.2
(S)	Contribution to employee benefit plans ^b	62.4	62.7	73.6	73.6
	Total Department	29,499.7	29,608.3	29,856.9	29,819.0
	Plus: Specified Purpose Accounts:				
	Canada Pension Plan		25,247.4	25,385.0	25,385.2
	Departmental Recoveries charged to EI		53.1	71.7	66.6
	Departmental Employee Benefit Plan recoverable from CPP Account		(24.7)	(19.3)	(27.1)
	Total Consolidated Expenditures		54,884.1	55,294.3	55,243.7
	Full Time Equivalents	6,283	6,307	6,655	6,632

^a As published in Main Estimates 2005-2006.

^b This statutory item includes the government's contributions as an employer to various benefits plans such as the Public Service Superannuation Account, the Public Service Death Benefit Account, the Employment Insurance Account and the Canada/Quebec Pension Plans. The amount is partially recoverable from the EI Account and CPP.

TABLE 4: SERVICES RECEIVED WITHOUT CHARGE

	2005-2006
(millions of dollars)	
Contributions covering employers' share of employees' insurance premiums and expenditures paid by TBS (excluding revolving funds)	14.0
Worker's compensation coverage provided by Human Resources and Skills Development	0.3
Salary and associated expenditures of legal services provided by Justice Canada	0.1
Total 2005-2006 Services received without charge	14.4

TABLE 5: SOURCES OF RESPONDABLE AND NON-RESPONDABLE REVENUES

(millions of dollars)	2003-2004 ^a	2004-2005	2005-2006			
	Actual	Actual	Main Estimates	Planned Revenues	Authorities	Actual
Responsible Revenue						
Income Support						
CPP Recovery		113.5	160.6	160.6	128.6	126.2
Inclusion and Participation						
CPP Recovery		30.3	62.5	62.5	75.5	68.5
Investment in Children & Families						
EI Recovery		0.1	-	-	-	-
Service Innovation						
CPP Recovery		1.8	0.4	0.1	36.4	33.7
EI Recovery		69.0	53.2	53.1	71.7	66.6
Effective Corporate Services						
CPP Recovery		74.6	-	-	-	-
EI Recovery		491.5	-	-	-	-
Total Responsible Revenue	804.8	780.8	276.7	276.3	312.2	295.0
By Type:						
Total CPP Recovery	260.9	220.2	223.5	223.2	240.5	228.4
Total EI Recovery	543.9	560.6	53.2	53.1	71.7	66.6
Non-Responsible Revenue						
Total EBP Recovery from CPP	27.5	25.8	24.7	24.7	27.1	27.1
Total EBP Recovery from EI	54.1	52.3	8.0	8.0	8.0	8.0
Adjustment to Prior Years' Payables ^b	1.7	1.8	-	-	2.5	2.5
User Fees ^b						
Searches of the CPP and OAS data bank to locate individuals	0.1	0.1	-	0.1	0.1	0.1
Social Insurance Number replacement card fee	1.9	1.9	-	1.9	1.9	1.9
Miscellaneous Items ^b	2.0	1.6	-	-	1.7	1.7
Total Non-Responsible Revenue	87.3	83.5	32.7	34.7	41.3	41.3

^a The split of the non-responsible revenues between HRSDC and SDC, as published in the 2003-2004 DPR, has been revised to reflect the correct split. Further, the breakdown by Strategic Outcome of Responsible and Non-Responsible Revenues is not available for fiscal year 2003-2004.

^b The figures have been restated to provide more detail.

TABLE 6-A: USER FEES ACT

Table 6A- SDC User Fees		Planning Years																	
		2005-2006					2006-2007					2007-2008					2008-2009		
A. User Fee	Fee Type (R) or (O) ¹	Fee Setting Authority	Date Last Modified	Forecast Revenue (\$000)	Actual Revenue (\$000)	Full Cost (\$000)	Performance Standard	Performance Results	Forecast Revenue (\$000)	Estimated Full Cost (\$000)	Forecast Revenue (\$000)	Estimated Full Cost (\$000)	Forecast Revenue (\$000)	Estimated Full Cost (\$000)	Forecast Revenue (\$000)	Estimated Full Cost (\$000)			
Searches of the CPP and OAS data banks	(R)	Department of Social Development Act, Section 19	1998	144	142	142	Searches completed within 10 working days from receipt of request ^a	95%	144	144	144	144	144	144	144	144			
Social Insurance Number Replacement Card Fee	(R)	Financial Administration Act	1988	1,872	1,937	3,085	A card will be replaced within 15 working days after the receipt of the request	85% ^b	1,937	3,085	1,937	3,085	1,937	3,085	1,937	3,085			
Fees charged for the processing of access requests filed under the Access to Information Act (ATIA) ^c	(O)	Access to Information Act	1992	3	0.6	237	Response provided within 30 days following receipt of request; the response time may be extended pursuant to section 9 of the ATIA. Notice of extension to be sent within 30 days after receipt of request. ^d The Access to Information Act provides more detail: http://laws.justice.gc.ca/en/A-1/218072.html .	85%	c	c	c	c	c	c	c	c	c		
Total User Fees				2,019	2,080	3,464			2,081	3,229	2,081	3,229	2,081	3,229	2,081	3,229			

B. Date Last Modified:

C. Other Information:

- ^a Depending on the volume of commercial search requests, the searches will be completed no later than 10 working days after receipt of the request.
- ^b Performance standard introduced in 2004-2005 is considered as standard measure.
- ^c On February 6, 2006, the government consolidated the Department of Human Resources and Skills Development with Social Development Canada to create a new department called Human Resources and Social Development Canada (HRSDC). The 2005-06 data represents the Social Development Canada portion of this department. Future years' data for Social Development Canada is included with Human Resources and Social Development Canada.
- ^d Even though the legislative deadline is 30 calendar days, extensions are allowed depending on the complexity of the request.
- ¹ Regulatory (R) or Other Products and Services (O).

TABLE 6B: POLICY ON SERVICE STANDARDS FOR EXTERNAL FEES

A. External Fee	Service Standard	Performance Result	Stakeholder Consultation
Searches of the CPP and OAS data banks	Searches completed within 10 working days from receipt of request.	10-day standard met at 95%.	At the time the user fee was set in 1998, stakeholder consultation was not a requirement.
B. Other Information:			

A. External Fee	Service Standard	Performance Result	Stakeholder Consultation
Social Insurance Number Replacement Card Fee	A card will be replaced within 15 working days after the receipt of the request	15-day standard met at 85%	Stakeholder consultation was not conducted because at the time the fee was set it was not a requirement.
B. Other Information: The standard was set by Bathurst Operational management and NHQ SIR program management personnel. The standard is being re-examined at the present time.			

A. External Fee	Service Standard	Performance Result	Stakeholder Consultation
Fees charged for the processing of access requests filed under the <i>Access to Information Act</i> (ATIA)	Response provided within 30 days following receipt of request; the response time may be extended pursuant to section 9 of the ATIA. Notice of extension to be sent within 30 days after receipt of request. The Access to Information Act provides more detail: http://laws.justice.gc.ca/en/A-1/218072.html .	30-day standard met at 85%	The service standard is established by the Access to Information Act and the Access to Information Regulations. Consultations with stakeholders were undertaken by the Department of Justice and the Treasury Board Secretariat for amendments done in 1986 and 1992.
B. Other Information:			

TABLE 7: DETAILS ON TRANSFER PAYMENTS

SDC has a number of transfer payment programs. These programs support individuals, communities, labour, other order of government and Aboriginal organizations in the achievement of shared human development goals. HRSDC is subject to the revised policy on transfer payments, which was introduced on June 1, 2000. That policy requires departments to report on those payment programs that are worth at least \$5 million. In so doing, the Department is helping to demonstrate sound management of, control over, and accountability for our transfer payments.

Consistent with this policy, the Department has developed descriptive material on each program including stated objectives, expected results and outcomes, and milestones for achievement. The following is a list of the active transfer payment programs over \$5 million.

1. Old Age Security
2. Guaranteed Income Supplement
3. Allowance Payments
4. Social Development Partnership Program
5. New Horizons for Seniors
6. Opportunities Fund for Persons with Disabilities
7. Multilateral Framework for Labour Market Agreements for Persons with Disabilities
8. Canadian National Institute for the Blind

Supplementary information on Transfer Payment Programs can be found at <http://www.tbs-sct.gc.ca/est-pre/estime.asp>

Note: Actual figures reflect program costs and exclude operating resources necessary to deliver the programs.

TABLE 8: SPECIFIED PURPOSE ACCOUNTS

Introduction

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

SDC is responsible for the stewardship of the Canada Pension Plan (CPP). The CPP **is a SPA but is not consolidated** as part of the Government of Canada financial statements. It is under joint control of the government and participating provinces. As administrator, the government's authority to spend is limited to the balance in the Plan.

The following information updates forecasted data on the CPP that we provided in our *2005-2006 Part III - Report on Plans and Priorities*. That report presented multi-year financial data and general information. Additional information on performance and year-end data is available at the internet addresses provided in this section.

More information relating to 2005-2006 is reported in the CPP financial statements which can be found in the *2006 Public Accounts of Canada*, Volume 1, Section 6.³³

³³ For further information, see. <http://www.pwgsc.gc.ca/recgen/text/pub-acc-e.html>

Canada Pension Plan

The table below summarizes the financial results for the Canada Pension Plan (CPP) from 2003-2004 to 2005-2006.

CPP SUMMARY				
(\$ millions)	2003-2004	2004-2005	2005-2006	
	Actual		Forecast ^c	Actual
Revenue				
Contributions	28,029	28,941	30,305	30,117
Investment Income				
Canada Pension Plan	2,682	2,070	1,093	1,093
CPP Investment Board ^a	7,209	4,983	12,139	12,139
CPP Investment Fund ^b	357	(945)	(254)	(254)
Total Investment Income	10,248	6,108	12,978	12,978
Total Revenue	38,277	35,049	43,283	43,095
Expenditures				
Benefit Payments	22,607	23,763	24,977	24,977
Administrative Expenses	410	386	408	408
Total Expenditures	23,017	24,149	25,385	25,385
Increase	15,260	10,900	17,898	17,710
Year-end Balance	72,511	83,411	101,309	101,121

^a Canada Pension Plan Investment Board actual amounts are based on their audited financial statements. The CPP Investment Board invests mainly in equities. The investment income is determined mainly by the change in fair values of these investments.

^b The Canada Pension Plan Investment Fund is made up of provincial, territorial and government bonds. As of March 31, 2005, these are valued at fair value. The revenue of the fund is made up of the interest from the bonds as well as the change in fair values of these investments. The interest income from the Investment Fund is presented under "Canada Pension Plan" of this section.

^c 2005-2006 Forecast are figures reported in the 2006-2007 Report of Plans and Priorities.

Statutory Annual Reports

Old Age Security

The Old Age Security program is one of the cornerstones of Canada's retirement income system. Benefits include the basic Old Age Security pension, the Guaranteed Income Supplement and the Allowance. The Old Age Security program is financed from Government of Canada general tax revenues.

The following tables present information on monthly benefits, beneficiaries and payments by province or territory.

TABLE 9: SUMMARY OF MAXIMUM MONTHLY BENEFITS

(dollars) Fiscal Year	Basic Pension	Income Supplement		Allowance		Increase
		Single	Married	Regular	Survivor	
Monthly benefit by fiscal year						
2005-2006 Actuals						
January 1, 2006	484.63	593.97	389.67	874.30	967.24	1.0%
October 1, 2005	479.83	570.27	371.46	851.29	939.84	0.6%
July 1, 2005	476.97	566.87	369.24	846.21	934.24	0.7%
April 1, 2005	473.65	562.93	366.67	840.32	927.74	0.4%
2005-2006 Estimates						
January 1, 2006	480.30	570.85	371.82	852.12	940.77	0.3%
October 1, 2005	478.86	569.14	370.71	849.57	937.95	0.8%
July 1, 2005	475.06	564.62	367.77	842.83	930.51	0.5%
April 1, 2005	472.70	561.81	365.94	838.64	925.88	0.2%
2004-2005 Actuals						
January 1, 2005	471.76	560.69	365.21	836.97	924.04	0.0%
October 1, 2004	471.76	560.69	365.21	836.97	924.04	1.1%
July 1, 2004	466.63	554.59	361.24	827.87	913.99	0.7%
April 1, 2004	463.39	550.73	358.73	822.12	907.64	0.2%
Fiscal year average (annual benefits)						
2005-06 Actuals	5,745.24	6,882.12	4,491.12	10,236.36	11,307.18	2.7%
2005-06 Estimates	5,720.76	6,799.26	4,428.72	10,149.48	11,205.33	1.8%
2004-05 Actuals	5,620.62	6,680.10	4,351.17	9,971.79	11,009.13	1.7%

TABLE 10: NUMBER OF PERSONS RECEIVING OLD AGE SECURITY BENEFITS, BY PROVINCE OR TERRITORY AND BY TYPE

Province or Territory	March 2005				March 2006			
	Old Age Security (OAS) Pension	Guaranteed Income Supplement (GIS)		GIS as % of OAS	Old Age Security (OAS) Pension	Guaranteed Income Supplement (GIS)		GIS as % of OAS
		Supplement (GIS)	Allowance			Supplement (GIS)	Allowance	
Newfoundland	68,079	44,246	4,275	64.99	69,356	44,869	4,401	64.69
Prince Edward Island	18,993	9,150	593	48.18	19,363	9,380	601	48.44
Nova Scotia	130,968	58,051	4,441	44.32	132,984	59,153	4,237	44.48
New Brunswick	103,348	51,968	4,221	50.28	105,377	53,181	4,112	50.47
Quebec	1,019,463	480,043	31,802	47.09	1,046,057	499,278	31,436	47.73
Ontario	1,537,943	438,245	26,989	28.50	1,571,843	468,064	26,986	29.78
Manitoba	156,598	58,739	3,594	37.51	157,927	60,623	3,530	38.39
Saskatchewan	145,745	57,561	3,499	39.49	145,999	59,366	3,392	40.66
Alberta	328,045	115,469	7,372	35.20	336,890	119,454	6,774	35.46
British Columbia	542,962	179,703	10,852	33.10	557,106	190,683	10,864	34.23
Yukon	2,016	678	48	33.63	2,258	760	42	33.66
Northwest Territories ^a	2,668	1,539	160	57.68	2,743	1,538	135	56.07
International ^b	76,554	8,898	82	11.62	80,111	8,894	84	11.10
Total	4,133,382	1,504,290	97,928	36.39	4,228,014	1,575,243	96,594	37.26

^a Data for Nunavut are included.

^b Persons receiving Canadian Old Age Security benefits under International Agreements on Social Security.

TABLE 11: OLD AGE SECURITY PAYMENTS, BY PROVINCE OR TERRITORY AND BY TYPE, FISCAL YEAR 2005-2006

Province or Territory	Old Age Security (OAS)		Guaranteed Income Supplement (GIS)	Allowance	Total
	Pension	Supplement (GIS)	Supplement (GIS)		
Newfoundland	394,237,454	172,222,188	22,795,834	589,255,476	
Prince Edward Island	110,111,404	36,087,198	2,654,980	148,853,582	
Nova Scotia	754,600,934	214,974,983	19,561,914	989,137,831	
New Brunswick	596,962,452	197,587,186	20,739,837	815,289,475	
Quebec	5,854,714,310	1,930,156,590	139,778,058	7,924,648,958	
Ontario	8,540,737,404	2,050,277,750	139,038,823	10,730,053,977	
Manitoba	891,927,981	226,287,013	17,489,098	1,135,704,092	
Saskatchewan	837,108,521	221,509,817	17,431,337	1,076,049,675	
Alberta	1,848,442,131	496,038,361	34,640,532	2,379,121,024	
British Columbia	2,986,744,182	838,487,309	56,030,096	3,881,261,587	
Yukon	12,290,879	2,882,521	217,729	15,391,129	
Northwest Territories ^a	15,540,163	7,332,571	959,467	23,832,201	
International ^b	111,684,663	82,695,199	724,094	195,103,956	
Total	22,955,102,478	6,476,538,686	472,061,799	29,903,702,963	
Recovery tax portion of OAS	-911,378,896			-911,378,896	
Total including recovery tax	22,043,723,582	6,476,538,686	472,061,799	28,992,324,067	

^a Data for Nunavut are included.

^b Persons receiving Canadian Old Age Security benefits under International Agreements on Social Security.

TABLE 12: MAJOR REGULATORY INITIATIVES

A Canada where the quality of life and inclusion for Seniors is enhanced and poverty alleviated through sustainable public pensions, benefits and supports

REGULATIONS	EXPECTED RESULTS	PERFORMANCE MEASUREMENT CRITERIA	RESULTS ACHIEVED
Canada Pension Plan Regulations - Automatic reinstatement of CPP Disability benefits: Amendments to CPP Regulations that enable SDC to implement the new automatic reinstatement provision were approved in January 2005. Legislative amendment to the CPP for automatic reinstatement of CPP disability benefits was contained in Bill C-30, the <i>Budget Implementation Act</i> , 2004. Regulations for automatic reinstatement set out the time limitation and the information and evidence to be provided to the Minister in relation to requests for reinstatement of the CPP disability benefit under the new Section 70.1 of the CPP.	It is anticipated that this new entitlement will encourage CPP-D clients who want to try to work to make the attempt without risking the loss of their benefits. This provision will be particularly important for beneficiaries with cyclical disabilities.	<ul style="list-style-type: none"> Number of CPP disability recipients who report a return to work and leave benefits Number of clients who return to benefits via the automatic reinstatement provision. 	In 2005-2006, approximately 1,900 clients returned to regular employment and had their benefits ceased. Of these, 160 had their benefits re-started using the automatic reinstatement provision.

TABLE 13: HORIZONTAL INITIATIVES

During fiscal year 2005–2006 SDC was involved in the following horizontal initiatives. Unless otherwise mentioned in the list, SDC acts as the lead department for these initiatives.

1. National Child Benefit
2. Federal-Provincial-Territorial Early Childhood Development Agreement
3. Federal-Provincial-Territorial Multilateral Framework on Early Learning and Child Care
4. Voluntary Sector Initiative
5. Labour Market Agreements for Persons with Disabilities
6. Service Canada

For further information on the above-mentioned horizontal initiatives, see:

http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/profil_e.asp

TABLE 14: RESPONSE TO PARLIAMENTARY COMMITTEES, AUDITS AND EVALUATIONS**Response to Parliamentary Committees**

STANDING COMMITTEE REPORTS	COMMENTS
<p>STANDING COMMITTEE ON HUMAN RESOURCES, SKILLS DEVELOPMENT, SOCIAL DEVELOPMENT AND THE STATUS OF PERSONS WITH DISABILITIES</p> <p>38th Parliament, 1st session</p> <ul style="list-style-type: none"> • Report 5 – Bill C-22, An Act to establish the Department of Social Development and to amend and repeal certain related Acts (Presented to the House on February 22, 2005) • Report 6 – New Human Resources and Skills Development Canada call for proposals Criteria for Funding Community Programs (Presented to the House on May 18, 2005). Government Response: Sixth Report of the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities, "An examination of new directives governing contribution agreements for selected programs delivered on behalf of Human Resources and Skills Development Canada" (Presented to the House on September 26, 2005) • Report 8 – Issues related to accessibility for persons with disabilities within the Parliamentary Precinct and the Federal Public Service (Presented to the House on June 14, 2005). Government Response: Eighth Report of the Standing Committee on Human Resources, Skills Development, Social Development and the Status of Persons with Disabilities, "Accessibility for All" (Presented to the House on October 7, 2005) 	<p>Bill C-22 received Royal Assent on July 20, 2005. The Act came into force on October 5, 2005, except Section 68, which came into force upon assent.</p>

Response to the Auditor General (including to the Commissioner of the Environment and Sustainable Development—CESD)	
CHAPTERS	COMMENTS
<p>COMMISSIONER OF THE ENVIRONMENT AND SUSTAINABLE DEVELOPMENT ANNUAL REPORT - CHAPTER 7 – SUSTAINABLE DEVELOPMENT STRATEGIES, SEPTEMBER 2005</p> <p><i>Issue:</i> SDC's sustainable development strategy has not met or met partially some of the quality criteria assessed.</p>	<p>The quality of the former Social Development Canada 2004-2006 Sustainable Development Strategy was assessed as part of the audit. The Department is currently developing a vision, policy and role for sustainable development, which will guide the drafting of the next Sustainable Development Strategy for the years 2007-2009.</p>

Internal Audits or Evaluations	
TO PROVIDE CANADIANS WITH:	AS DEMONSTRATED BY THE FINDINGS OF THE FOLLOWING:
<p>A CANADA FOR ALL, WHERE EVERYONE PARTICIPATES AND PLAYS AN ACTIVE ROLE</p>	<p>AUDITS AND EVALUATIONS</p> <ul style="list-style-type: none"> • Evaluation of the Federal Grant Provided to the Canadian Policy Research Networks Inc. • Audit of Managed Network Services • Consolidated Statement of Administrative Costs Charge to the Canada Pension Plan by HRSDC • Audit of the Social Development Partnerships Programs

TABLE 15: SUSTAINABLE DEVELOPMENT STRATEGY

See HRSDC Section regarding the Sustainable Development Strategy on page 140.

TABLE 16: PROCUREMENT AND CONTRACTING

Department	Social Development Canada
1. Role played by procurement and contracting in delivering programs	<p>Procurement plays an important role in ensuring that the organization effectively meets its transformational priorities.</p> <p>Procurement also allows the Department to obtain highly specialized management consulting services to leverage global expertise and leading edge practices. In implementing new points of service across the country, procurement is essential for meeting a range of operational requirements, as well as achieving socio-economic objectives.</p>
2. Overview of how the Department manages its contracting function	<p>The procurement operations decentralized with procurement specialists in both regional offices and headquarters. These procurement and contracting specialists handle about 30,000 contracts a year, valued at approximately \$300 million. The procurement value and volume has been declining over the past few fiscal years.</p> <p>All procurements above \$10,000 are reviewed so that individual purchase decisions will be informed by an enterprise-wide perspective. This process also ensures that the appropriate procurement approach is utilized.</p> <p>Procurement and contracting specialists in the organization will also be certified through the Professional Development and Certification program to the appropriate level, based on the complexity and risk of the transactions they undertake.</p>
3. Progress and new initiatives enabling effective and efficient procurement practices	<p>Procurement is currently transforming in order to best support the overall transformation of the organization.</p> <p>The buying patterns are being assessed and procurement approaches are being developed based on the market analysis, complexity and risks associated with those purchases.</p> <p>One critical aspect of the procurement transformation initiative is the creation of nationally based teams to address core commodities required by the Department. These nationally based teams will establish efficient, client centered methods based on more detailed business analysis of specific priority goods and services.</p> <p>A purchasing portal was launched in 2006. The Purchasing Portal is an on-line tool designed to make day-to-day purchasing activities efficient by providing clear, easy-to-follow instructions on how to buy simple goods and services. The portal also provides access points for service in support of more complex purchases.</p>

TABLE 17: SERVICE IMPROVEMENT

The Government of Canada delivers a broad range of services that directly touch the lives of all Canadians – as individuals, businesses, and while abroad. Government services are important to Canada and Canadians and the Government of Canada recognizes that solid management of services is essential. That is why the government's efforts to modernize and transform itself necessarily embody a strong commitment to improved and efficient public services. The Treasury Board Secretariat, through the Management Accountability Framework (MAF), assesses the performance of Departmental management based on 10 elements, including Citizen-Focused Service. Managers should be aware that the quality of their reporting of service improvement activity is a factor in this assessment.

Annual Reporting Requirement: In line with the Government of Canada's commitment to improve services from a client-centred perspective, departments and agencies should specify in their Departmental Performance Reports (DPRs) the activities, goals, and achievements that are helping them increase client satisfaction with respect to delivering their public services. Ongoing service improvement depends on departments' ability to measure levels of client satisfaction, set targets for improving client satisfaction with key services to the public, monitor implementation, and report progress on improvement in client satisfaction for key services to the public. It also entails establishing and communicating service standards for key services, monitoring performance against them, and reporting on progress.

Building on the success of the Service Improvement Initiative, which concluded on December 31, 2005, all departments and agencies should report on the following elements of their service delivery performance:

1. Client satisfaction measurement and progress toward achieving satisfaction targets: Departments should report the results of their client surveys and progress toward improving the timeliness of service, service accessibility, outcome, and overall satisfaction. To ensure consistency and enable the benchmarking of results, these common questions should be integrated into client satisfaction surveys undertaken by departments using the Common Measurements Tool (CMT).

2. Service standards for all key public services: Service standards continue to play an important role in the overall service improvement strategy. For each service standard developed from knowledge of client expectations, departments should measure performance against these standards. Overall performance against each standard should be reported in the DPR, while additional information about service standards and performance achieved relative to them should be made available by a link to the departmental Web site. The appropriate URL should be referenced in the report.

3. Main achievements in improving service from a client-centred perspective: This element should provide an overview of the key client priorities for service improvement that were identified for the past year and the main actions taken to address them. Corporate efforts and activities directed toward the achievement of continuous service improvement should be referenced in this section as well.
Note: TBS is currently drafting a *Service Policy for the Government of Canada* that will determine future DPR reporting requirements.

TABLE 18: TRAVEL POLICIES

SDC applied the TBS travel policy parameters with respect to departmental travel transactions.



SUPPLEMENTARY INFORMATION - HUMAN RESOURCES AND SOCIAL DEVELOPMENT CANADA CONSOLIDATED FINANCIAL STATEMENTS

Note: These represent consolidated statements for the Human Resources and Skills Development Canada and Social Development Canada

HUMAN RESOURCES AND SOCIAL DEVELOPMENT STATEMENT OF MANAGEMENT RESPONSIBILITY FOR UNAUDITED FINANCIAL STATEMENTS

Responsibility for the integrity and objectivity of the accompanying financial statements for the year ended March 31st, 2006 and all information contained in this report rests with the Human Resources and Social Development (HRSD) management. These financial statements have been prepared by Service Canada, who is responsible for providing accounting and related reporting services to HRSD. Service Canada attests to the accuracy, completeness, and fairness of the information therein and that the financial statements were prepared in accordance with Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Some of the information in the financial statements is based on management's best estimates and judgments and gives due consideration to materiality. To fulfil its accounting and reporting responsibilities, management maintains a set of accounts that provides a centralized record of the HRSD's financial transactions. Financial information submitted to the *Public Accounts of Canada* and included in the HRSD's *Departmental Performance Report* is consistent with these financial statements.

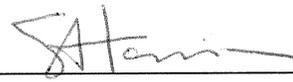
Management maintains a system of financial management and internal control designed to provide reasonable assurance that financial information is reliable, that assets are safeguarded and that transactions are in accordance with the *Financial Administration Act*, are executed in accordance with prescribed regulations, within Parliamentary authorities, and are properly recorded to maintain accountability of Government funds. Management also seeks to ensure the objectivity and integrity of data in its financial statements by careful selection, training and development of qualified staff, by organizational arrangements that provide appropriate divisions of responsibility, and by communication programs aimed at ensuring that regulations, policies, standards and managerial authorities are understood throughout HRSD. Management is also supported and assisted by programs of audit and evaluation services and audit committees.

The financial statements of HRSD have not been audited.



Sylvie C. Lafontaine, CA
Chief Financial Officer
Service Canada
 Gatineau, Quebec

Date: 28.07.2006



Sherry Harrison, CMA
Comptroller
Human Resources and Social Development
 Gatineau, Quebec

Date: 2006.08.17



Maryantonett Flumian
Deputy Head
Service Canada
 Gatineau, Quebec

Date: 31.07.2006



Janice Charette
Deputy Minister
Human Resources and Social Development
 Gatineau, Quebec

Date: 21.08.06

**HUMAN RESOURCES AND SOCIAL DEVELOPMENT STATEMENT OF OPERATIONS
(UNAUDITED) FOR THE YEAR ENDED MARCH 31**

	2006	2005
	(in thousands of dollars)	
Expenses (Note 4)		
Income Support	29,533,344	28,213,121
Employment Insurance	14,060,162	14,334,852
Employment Programs	2,543,435	2,638,193
Learning	1,371,586	1,465,688
Inclusion and Participation	346,012	357,927
Homelessness	172,610	137,162
Service Innovation	154,682	138,476
Labour	151,605	111,352
Service and Benefits Delivery Support	136,928	66,180
Workplace	93,277	34,970
Vibrant Communities	69,435	54,191
Investments in Children and Families	1,848	3,853
Total expenses	48,634,924	47,555,965
Revenues (Note 5)		
Income Support	142,053	189,021
Employment Insurance	18,330,478	18,708,359
Employment Programs	-	509
Learning	362,118	275,604
Inclusion and Participation	78,184	73,713
Homelessness	-	18
Service Innovation	36,933	1,099
Labour	2,244	2,298
Service and Benefits Delivery Support	15,324	6,932
Workplace	-	5
Vibrant Communities	632	-
Investments in Children and Families	14	-
Total revenues	18,967,980	19,257,558
Net cost of operations	29,666,944	28,298,407

The accompanying notes form an integral part of these financial statements

**HUMAN RESOURCES AND SOCIAL DEVELOPMENT STATEMENT OF FINANCIAL POSITION
(UNAUDITED) AT MARCH 31**

	2006	2005
	(in thousands of dollars)	
Assets		
Financial assets		
Accounts receivable and advances (Note 6)	4,361,712	3,104,888
Canada Student Loans (Note 7)	7,028,065	6,017,198
Total financial assets	11,389,777	9,122,086
Non-financial assets		
Prepaid expenses (Note 8)	23,341	16,666
Tangible capital assets (Note 9)	162,344	188,045
Total non-financial assets	185,685	204,711
Total	11,575,462	9,326,797
Liabilities		
Accounts payable and accrued liabilities (Note 10)	1,179,135	1,133,045
Vacation pay and compensatory leave	57,105	53,500
Employee severance benefits (Note 11)	291,404	255,140
Capital lease obligations (Note 12)	6,079	7,563
Government Annuities account (Note 13)	347,337	377,266
Due to Canada Pension Plan (Note 14)	150,851	2,771,044
Other liabilities (Note 15)	15,342	15,504
Total liabilities	2,047,253	4,613,062
Equity of Canada (Note 16)	9,528,209	4,713,735
Total	11,575,462	9,326,797

Contingent liabilities (Note 17)

Contractual obligations (Note 18)

The accompanying notes form an integral part of these financial statements

**HUMAN RESOURCES AND SOCIAL DEVELOPMENT STATEMENT OF EQUITY (UNAUDITED)
AT MARCH 31**

	2006	2005
	(in thousands of dollars)	
Equity of Canada, beginning of year	4,713,735	(981,920)
Net cost of operations	(29,666,944)	(28,298,407)
Current year appropriations used (Note 3)	33,360,496	31,651,676
Revenue not available for spending (Note 3)	(551,576)	(473,061)
Change in net position in the Consolidated Revenue Fund (Note 3)	1,640,012	2,783,520
Services provided without charge by other government departments (Note 19)	32,486	31,927
Equity of Canada, end of year (Note 16)	9,528,209	4,713,735

The accompanying notes form an integral part of these financial statements

**HUMAN RESOURCES AND SOCIAL DEVELOPMENT STATEMENT OF CASH FLOW
(UNAUDITED) FOR THE YEAR ENDED MARCH 31**

	2006	2005
	(in thousands of dollars)	
Operating Activities		
Net costs of operations	29,666,944	28,298,407
Non-cash items:		
Amortization of tangible capital assets	(72,343)	(66,312)
Services provided without charge by other government departments	(32,486)	(31,927)
Adjustments to tangible capital assets	1,757	(1,781)
Net gain (loss) on disposal of tangible capital assets	282	(80)
Variations in Statement of Financial Position:		
Increase in accounts receivable and advances	1,256,824	326,709
Increase in Canada Student Loans	1,010,867	703,992
Increase (decrease) in prepaid expenses	6,675	(6,023)
Decrease in liabilities	2,565,809	4,694,941
Cash used by operating activities	34,404,329	33,917,926
Capital investment activities		
Acquisitions of tangible capital assets	54,758	89,683
Transfer of work in progress to finished assets	(9,806)	(45,356)
Proceeds from dispositions of tangible capital assets	(348)	(118)
Cash used by capital investment activities	44,604	44,209
Financing activities		
Net cash provided by Government of Canada	34,448,933	33,962,135

The accompanying notes form an integral part of these financial statements

HUMAN RESOURCES AND SOCIAL DEVELOPMENT NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

1. Authority and objectives

The Department of Human Resources and Social Development (HRSD) was established, effective February 6, 2006, through the amalgamation of the departments of Human Resources and Skills Development Canada and Social Development Canada, as an agent of Her Majesty of Canada. It is a Department named in the Schedule I of the *Financial Administration Act* and reports to Parliament through the Minister of Human Resources and Social Development.

HRSD works to improve the standard of living and the quality of life of all Canadians by promoting a highly skilled and mobile workforce as well as an efficient and inclusive labour market. It supports human capital development, labour market development and is dedicated to establishing a culture of lifelong learning for Canadians.

Service Canada (SC) was launched September 14, 2005 and has the authority and mandate to deliver the Government of Canada's service delivery network to achieve better outcomes to Canadians. SC is providing better, one-stop service to more Canadians in more communities, delivering with the service excellence. SC will continue to bring federal services and benefits together making it easier for Canadians to get more of the help they need in one place. Service Canada integrates a range of services from a number of federal departments to form a single service delivery network.

HRSD operates under a number of Acts and Regulations: *Department of Social Development Act, Department of Human Resources and Skills Development Act, Old Age Security Act and Regulations, Employment Insurance Act and Regulations, Government Annuities Act, Unemployment Assistance Act, Canada Pension Plan and Regulations, Canada Student Financial Assistance Act and Regulations, Canada Student Loans Act and Regulations, Corporations and Labour Unions Returns Act, Section 16, and regulations, Fair Wages and Hours of Labour Act and Regulations, Family Orders and Agreements Enforcement Assistance Act, Federal-Provincial Fiscal Arrangements Act, Labour Adjustment Benefits Act, Status of the Artist Act, Part II and Regulations, Vocational Rehabilitation of Disabled Persons Act and Wages Liability Act, Canada Labour Code and Regulations, Employment Equity Act and Regulations.*

Human Resources and Social Development achieves its objectives under twelve major programs:

Income Support

To provide a basic income for eligible seniors, and the survivors and children of deceased contributors through sustainable public pensions, benefits and supports such as Old Age Security (OAS); develop policies and programs; and undertake evidence-based research and disseminate knowledge to further advance this strategic outcome.

Employment Insurance

Employment Insurance (EI) provides temporary financial assistance for unemployed Canadians, as well as to Canadians who need to take a temporary absence from work due to sickness, pregnancy and childbirth, to care for a newborn or adopted child, or to provide care or support to a gravely ill family member with a significant risk of death. Employment Insurance also provides benefits to participants of work-sharing agreements.

Employment Programs

Employment programs enable Canadians, including unemployed adult individuals and targeted groups such as youth and Aboriginal people, to develop their skills and encourage them to become self-reliant, invest in themselves and become more adaptable to labour market changes.

Learning

Learning works to foster a culture of lifelong learning and increased access to learning opportunities. In collaboration with provinces, territories, learning institutions, community-based organizations and other key stakeholders, the following programs are delivered: Canada Student Loans; Canada Study Grants; Canada Education Savings Grant; Canada Learning Bond; National Literacy Secretariat; Learning Initiatives Program; International Academic Mobility; and Office of Learning Technologies.

Inclusion and Participation

To promote the participation of persons with disabilities in work, learning and their community by providing income security, targeting disability policy and programming and knowledge development and bringing together key partners, stakeholders and other levels of governments to achieve shared program and policy goals.

Workplace

Workplace supports the collaboration of industry partners and stakeholders in identifying, addressing and promoting workplace skills development and recognition issues that reflect the realities of Canadian workplaces in our rapidly evolving labour market. Workplace also develops and disseminates knowledge and information from a national, regional and local perspective, which is vital in supporting and contributing to a well-functioning labour market.

Labour

The Labour Program has a “federal jurisdiction” mandate, limited to the industries that fall under the jurisdiction of Parliament for labour matters. The program also has a national mandate and is responsible for leadership in the coordination of federal-provincial labour jurisdictions, the identification of workplace issues affecting all workers and jurisdictions, and for the provision of a national labour information base. In addition, the Labour Program has an international mandate, and is responsible for Canada’s international labour affairs.

Homelessness

The National Homelessness Initiative assists communities, through partnerships, in implementing measures that help homeless individuals and families to move toward self-sufficiency, to become active in society and contribute to the economy.

Service and Benefits Delivery Support

This in-person regional service delivery network provides direct service to clients. It also includes policy and communications support.

Service Innovation

Deliver seamless citizen-centred service that is integrated, easy to access, simple to use, tailored for the individual circumstance, efficient and sustainable. This will enhance the integrity of programs by building public trust and confidence and ensuring that the right client receives the right service or benefit at the right time and for the intended purpose.

Vibrant Communities

To support capacity needs and non-profit and voluntary organizations across Canada that help people in their communities (seniors, persons with disabilities, children and their families and other vulnerable or excluded populations) to participate in social activities, pursue an active life and contribute to their communities.

Investments in Children and Families

To provide leadership and income support for early learning, child care and low-income families with children, by working with the provinces/territories, other federal government departments, and community experts through negotiating and implementing Federal, Provincial, Territorial agreements, sharing information on best practices, research, knowledge development and evaluation.

2. Summary of significant accounting policies

The financial statements have been prepared in accordance with accounting Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector.

Significant accounting policies are as follows:

(a) Parliamentary appropriations – HRSD is financed by the Government of Canada through Parliamentary appropriations. Appropriations provided to the department do not parallel financial reporting according to generally accepted accounting principles since appropriations are primarily based on cash flow requirements. Consequently, items recognized in the statement of operations and the statement of financial position are not necessarily the same as those provided through appropriations from Parliament. Note 3 provides a high-level reconciliation between the bases of reporting.

(b) Net Cash Provided by Government – HRSD operates within the Consolidated Revenue Fund (CRF). The CRF is administered by the Receiver General for Canada. All cash received by HRSD is deposited to the CRF and all cash disbursements made by HRSD are paid from the CRF. The net cash provided by Government is the difference between all cash receipts and all cash disbursements including transactions between departments of the federal government.

(c) Change in net position in the Consolidated Revenue Fund is the difference between the net cash provided by Government and appropriations used in a year, excluding the amount of non-responsible revenue recorded by the department. It results from timing differences between when a transaction affects appropriations and when it is processed through the CRF.

(d) Revenues:

- EI Premiums are recognized as revenue in the period in which they are earned. EI Premiums earned in the period are measured from amounts assessed by the Canada Revenue Agency (CRA) and from estimates of amounts not assessed based on cash received. Premium revenue also includes adjustments between actual and estimated premiums of previous years.
- Interest revenues on student loans are recognized in the year they are earned.
- Recoveries of Canada Pension Plan administration costs are recognized in the accounts based on the services provided in the year.
- Other revenues are accounted for in the year in which the underlying transaction or event occurred that gave rise to the revenues.

(e) Expenses – Expenses are recorded on the accrual basis:

- Grants are recognized in the year in which the conditions for payment are met. In the case of grants which do not form part of an existing program, the expense is recognized when the Government announces a decision to make a non-recurring transfer, provided the enabling legislation or authorization for payment receives parliamentary approval prior to the completion of the financial statements.
- Contributions are recognized in the year in which the recipient has met the eligibility criteria or fulfilled the terms of a contractual transfer agreement.
- Vacation pay and compensatory leave are expensed as the benefits accrue to employees under their respective terms of employment.
- Services that are provided without charge by other federal government departments for the employer's contribution to the health and dental insurance plans and legal services are recorded as operating expenses at their estimated costs.

(f) Employee future benefits:

- (i) Pension benefits: Eligible employees participate in the Public Service Superannuation Plan, a multiemployer plan administered by the Government of Canada. HRSD contributions to the Plan are charged to expenses in the year incurred and represent the total departmental obligation to the Plan. Current legislation does not require HRSD to make contributions for any actuarial deficiencies of the Plan.
- (ii) Severance benefits: Employees are entitled to severance benefits, as provided for under labour contracts or conditions of employment. These benefits are accrued as employees render the services necessary to earn them. The obligation relating to the benefits earned by employees is calculated using information derived from the results of the actuarially determined liability for employee severance benefits for the Government as a whole.

(g) Accounts receivable – Accounts receivable are stated at amounts expected to be ultimately realized. A provision is made for accounts receivable where recovery is considered uncertain.

(h) Canada Student Loans – Loans are recorded at original cost plus accrued interest receivable less valuation allowances. Interest revenue is accrued in the period earned for loans in good standing. Interest is not accrued on loans considered unrecoverable.

An allowance is recorded in HRSD's financial statements in order to consider bad debts and debt reduction in repayment (DRR) for Canada Student Loans. The allowance rate is based on an actuarial estimate. For the year ended March 31, 2006, the rate was established at 14.6% (14.6% in 2005) of the disbursements incurred since the beginning of the program for bad debts and at 0.7% (0.7% in 2005) of the same amount for DRR. The allowance for bad debts is calculated on a quarterly basis. The rate of the allowance is established based on an actuarial estimate, fluctuating with the aging of accounts and the accounts' status.

(i) Contingent liabilities – Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

(j) Tangible capital assets – All tangible capital assets and leasehold improvements having an initial cost of \$10,000 or more are recorded at their acquisition cost. Amortization of tangible capital assets is done on a straight-line basis over the estimated useful life of the asset as follows:

Asset class	Amortization period
Machinery and equipment	5 years
Informatics hardware	5 years
Informatics software	3-5 years
Other equipment and furniture	5 years
Motor vehicles	5 years
Capital leases	term of the lease
Leaseholds improvements	term of the lease
Assets under construction	once in service, in accordance with asset type

(k) Measurement uncertainty – The preparation of these financial statements in accordance with the Treasury Board accounting policies which are consistent with Canadian generally accepted accounting principles for the public sector requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses reported in the financial statements. At the time of preparation of these statements, management believes the estimates and assumptions to be reasonable. The most significant items where estimates are used are the determination of the allowances for doubtful accounts, the contingent liabilities, the liability for employee severance benefits, the EI contributions, the OAS benefit repayments and the useful life of tangible capital assets. Actual results could significantly differ from those estimated. These estimates are reviewed periodically and, as adjustments become necessary, they are recorded in the financial statements in the year they become known.

3. Parliamentary appropriations

HRSD receives most of its funding through annual Parliamentary appropriations. Items recognized in the statement of operations and the statement of financial position in one year may be funded through Parliamentary appropriations in prior, current or future years. Spending on the EI program is not included here as it is not funded by statutory appropriations. Fees collected on the EI program provide the basis for this spending. Accordingly, HRSD has different net costs of operations for the year on a government funding basis than on an accrual accounting basis. The differences are reconciled in the following tables:

(a) Reconciliation of net cost of operations to current year appropriations used:

	2006	2005
	(in thousands of dollars)	
Net cost of operations	29,666,944	28,298,407
Adjustments for items affecting net cost of operations but not affecting appropriations:		
Add (less):		
Net EI transactions	2,268,843	2,315,862
Revenues not responsible by the department	551,576	473,061
Bad debts	(367,849)	(582,399)
Amortization	(72,343)	(66,312)
Services provided without charge by other government departments	(32,486)	(31,927)
Adjustments to grants and contributions	(9,403)	(31,560)
Refunds of program expense	8,482	19,666
Net gain (loss) on disposal of tangible capital assets	282	(80)
Decrease of allowance for loan guarantees and other allowances	12,987	7,151
Increase of severance pay accrual	(36,264)	(2,054)
Increase of vacation pay and compensatory leaves	(3,605)	-
Decrease in prepaid expenses	(1,774)	(3,842)
Justice Canada fees	(6,067)	(5,847)
Adjustments to tangible capital assets	1,758	(1,743)
	31,981,081	30,388,383
Adjustments for items not affecting net cost of operations but affecting appropriations		
Add (less):		
Canada Student Loans disbursed	1,331,300	1,215,697
Forgiveness of Canada Student Loans	97	-
Increase in prepaid expenses	1,582	1,774
Tangible capital assets acquisitions	54,758	89,683
Transfer of work in progress to finished assets	(9,806)	(45,356)
Capital leases repayments	1,484	1,495
Current year appropriations used	33,360,496	31,651,676

(b) Appropriations provided and used:

	2006	2005
	(in thousands of dollars)	
Vote 1 – Operating expenditures	588,073	596,096
Vote 5 – Grants and contributions	1,137,944	1,077,434
Statutory amounts:		
Old Age Security	28,992,324	27,870,981
Canada Student loans	1,331,300	1,215,697
Other	1,434,290	1,104,238
Less:		
Available for use in subsequent years	(367)	(271)
Lapsed appropriations:		
Operating	(47,379)	(51,461)
Grants and contributions	(75,649)	(161,036)
Statutory	(40)	(2)
Current year appropriations used	33,360,496	31,651,676

c) Reconciliation of net cash provided by Government to current year appropriations used:

	2006	2005
	(in thousands of dollars)	
Net cash provided by Government	34,448,933	33,962,135
Revenue not respendable by the department	551,576	473,061
Change in net position in the Consolidated Revenue Fund:		
Increase in accounts receivable and advances	(1,256,824)	(326,709)
Increase liabilities (other than the Canada Pension Plan)	54,384	16,967
Decrease in Canadian Pension Plan (CPP)	(2,620,193)	(4,711,908)
Net EI transactions	2,268,843	2,315,862
Other	(86,223)	(77,732)
Current year appropriations used	33,360,496	31,651,676

4. Expenses

The following table presents details of expenses by category:

	2006	2005
	(in thousands of dollars)	
Transfer payments		
EI benefits and support measures	14,418,190	14,748,603
Individuals	29,938,701	28,542,563
Non-profit organizations	687,811	537,084
Other levels of government within Canada	450,624	446,866
Industry	27,225	23,987
Other countries and international organizations	2,578	1,697
Total transfer payments	<u>45,525,129</u>	<u>44,300,800</u>
Operating		
Employment Insurance account:		
Administration expense	1,576,226	1,541,657
Bad debts on EI accounts	55,668	94,509
Sub total	<u>1,631,894</u>	<u>1,636,166</u>
Salaries and benefits	1,713,519	1,631,531
Professional and special services	371,297	337,775
Rentals	172,563	170,977
Transportation and telecommunication	113,807	116,056
EI Administration charge paid to Canada Revenue Agency	105,384	103,183
Amortization	72,343	66,312
Bad debts	12,726	2,261
Others	71,697	86,193
Less: Recovery of EI administration costs	<u>(1,510,558)</u>	<u>(1,475,427)</u>
	1,122,778	1,038,861
Bad debts on Canada Student Loans	<u>355,123</u>	<u>580,138</u>
Total operating expenses	<u>3,109,795</u>	<u>3,255,165</u>
Total expenses	48,634,924	47,555,965

5. Revenues

The following table presents details of revenues by category:

	2006	2005
	(in thousands of dollars)	
Employment Insurance account:		
EI premiums	16,916,659	17,654,806
Interest on the balance of the EI account	1,323,562	967,996
Penalties and interest on EI receivables	78,706	77,829
Sub total EI revenues	18,318,927	18,700,631
Interest on Canada Student Loans	360,579	275,152
Recovery of Canada Pension Plan administration costs	270,345	270,062
Other revenues	18,129	11,713
Total revenues	18,967,980	19,257,558

6. Accounts receivable and advances

The following table presents details of accounts receivable and advances:

	2006	2005
	(in thousands of dollars)	
Accounts receivable from other federal government departments and agencies		
EI premiums receivable from the Canada Revenue Agency	1,501,075	1,622,514
Old Age Security contributions receivables from the Canada Revenue Agency	1,656,523	745,144
Other	458,412	162,746
Accounts receivable external to the Government:		
EI overpayments to be recovered	478,982	469,576
EI fines and penalties	203,731	227,006
Accrued interest on loans receivable	436,255	319,240
Other	345,192	190,380
Total accounts receivable	5,080,170	3,736,606
Less: Allowance for doubtful accounts on external accounts receivable	(731,595)	(644,873)
Net accounts receivable	4,348,575	3,091,733
Advances to Provincial Workers Compensation	13,013	13,013
Advances to employees	124	142
Total accounts receivable and advances	4,361,712	3,104,888

7. Canada Student Loans

Loans issued on or after August 1, 2000 are operated under the authority of section 6.1 of the *Canada Student Financial Assistance Act*, which authorizes HRSD to enter into loan agreements directly with qualifying students. Direct Loans and the Risk-Shared Loans under the *Canada Student Financial Assistance Act* are provided interest-free to full-time students and afterwards bear interest at either a variable rate of 2.5% above the prime rate or a fixed rate of 5.0% above the prime rate. The maximum repayment period is 10 years.

Loans issued prior to August 1, 2000 include loans outstanding which are amounts related to student loans subrogated to the Crown under the *Canada Student Loans Act* and under the *Canada Student Financial Assistance Act*. The Guaranteed Loans under the *Canada Student Loans Act* are provided interest-free to full-time students and afterwards bear interest as set by the Canada Student Loan Program. The maximum repayment period is 10 years.

	2006	2005
	(in thousands of dollars)	
Direct Loans	8,199,049	6,867,749
Guaranteed Loans	554,910	604,160
Risk-Shared Loans	234,529	221,801
Unamortized discount on defaulted risk shared loans	(222,803)	(210,711)
Allowance for doubtful accounts	(1,737,620)	(1,465,801)
Total Canada Student Loans	7,028,065	6,017,198

Guaranteed and Risk-Shared loans write-offs for the year ended March 31, 2006 are \$54 million (\$30 million in 2005) and payments received while account is in write-off status are \$0.4 million (\$0.4 million in 2005).

8. Prepaid expenses

	2006	2005
	(in thousands of dollars)	
Prepaid transfer payments	21,759	14,892
Other prepaid expenses	1,582	1,774
Total prepaid expenses	23,341	16,666

9. Tangible capital assets

Tangible capital asset class	Cost			Accumulated amortization					2005 Net book value	2006 Net book value
	Opening balance	Acquisitions	Disposal, write-offs and adjustments	Closing balance	Opening balance	Amortization	Disposal, write-offs and adjustments	Closing balance		
(in thousands of dollars)										
Machinery & equipment	2,159	51	(67)	2,143	1,558	240	(245)	1,553	590	601
Informatics hardware	167,044	13,478	(2,028)	178,494	137,808	13,955	(2,308)	149,455	29,039	29,236
Informatics software	139,363	11,185	1,013	151,561	62,087	27,151	-	89,238	62,323	77,276
Other equipment & furniture	7,954	438	17	8,409	4,217	1,121	(214)	5,124	3,285	3,737
Motor vehicles	9,165	729	(2,021)	7,873	6,853	812	(2,009)	5,656	2,217	2,312
Capital lease – informatics hardware	11,578	-	-	11,578	6,947	2,316	-	9,263	2,315	4,631
Capital lease – other equipment	1,136	-	-	1,136	843	227	-	1,070	66	293
Work in progress for in-house development software	10,349	13,158	(9,806)	13,701	-	-	-	-	13,701	10,349
Leaseholds improvements	124,748	15,719	-	140,467	65,138	26,521	-	91,659	48,808	59,610
Total tangible capital assets:	473,496	54,758	(12,892)	515,362	285,451	72,343	(4,776)	353,018	162,344	188,045

Amortization expense for the year ended March 31, 2006 is \$72,343 (\$66,312 in 2005).

10. Accounts payable and accrued liabilities

	2006	2005
	(in thousands of dollars)	
Accrued salaries and wages	49,860	97,502
Accounts payable and accrued liabilities to external parties	829,980	812,242
Accounts payable and accrued liabilities to other federal government departments and agencies	151,330	57,750
Allowance for alternative payments for non-participating provinces to Canada Student Loans	105,065	108,133
Allowance for loan guarantees	38,508	51,495
Other payables and accrued liabilities	4,392	5,923
Total accounts payable and accrued liabilities	1,179,135	1,133,045

11. Employee benefits

(a) Pension benefits: The department's employees participate in the Public Service Pension Plan, which is sponsored and administered by the Government of Canada. Pension benefits accrue up to a maximum period of 35 years at a rate of 2% per year of pensionable service, times the average of the best five consecutive years of earnings. The benefits are integrated with Canada/Quebec Pension Plans benefits and they are indexed to inflation.

Both the employees and the department contribute to the cost of the Plan. The expense for the year ended March 31, 2006 amounts to \$180 million (\$168.6 million in 2005), which represents approximately 2.6 times the contributions by employees. The department's responsibility with regard to the Plan is limited to its contributions. Actuarial surpluses or deficiencies are recognized in the financial statements of the Government of Canada, as the Plan's sponsor.

(b) Severance benefits: The department provides severance benefits to its employees based on eligibility, years of service and final salary. The severance benefit liability is based on a percentage provided by Treasury Board, applied to the eligible payroll as at March 31. Treasury Board determines the percentage based on an actuarial evaluation of the future liability for the entire government eligible employees. The rate as at March 31, 2006 was 23.2% (21.39% at March 31, 2005).

	2006	2005
	(in thousands of dollars)	
Accrued benefit obligation, beginning of year	255,140	253,086
Expense for the year	62,009	21,176
Benefits paid during the year	(25,745)	(19,122)
Accrued benefit obligation, end of year	291,404	255,140

12. Obligations related to leased tangible capital assets

HRSD has entered into agreements to rent informatics hardware and other equipment under capital lease with a cost of \$12.7 million and an accumulated amortization of \$10.3 million as at March 31, 2006 (\$12.7 million and \$7.8 million respectively as at March 31, 2005) (Note 9). Per lease agreements, the obligations for the upcoming years include the following:

Maturing year	2006	2005
	(in thousands of dollars)	
2006	-	1,536
2007	6,105	6,105
Total future minimum lease payments	6,105	7,641
Less: imputed interest (7 % to 15 %)	(26)	(78)
Balance of obligations under leased tangible capital assets	6,079	7,563

13. Government Annuities

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

The purpose of the *Government Annuities Act* was to assist Canadians to provide for their later years, by the purchase of Government annuities.

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

Total income amounted to \$24.5 million (\$26.5 million in 2005), \$24.4 million (\$26.2 million in 2005) of which represented interest of 7 % credited to the Account. Premiums received totalled \$8,200 (\$72,400 in 2005). Total disbursements of \$51 million (\$57.5 million in 2005) originated mainly from the \$50.5 million (\$54.1 million in 2005) in payments made under matured annuities. An amount of \$98,379 (\$156,599 in 2005) was used to refund premiums at death before maturity or when the annuity would have been too small, and \$202,346 (\$319,684 in 2005) was transferred to the Consolidated Revenue Fund as a result of unclaimed annuities.

	2006	2005
	(in thousands of dollars)	
Government Annuities, beginning of year	377,266	405,722
Receipts and other credits	24,726	26,486
Payments and other charges	(54,655)	(54,942)
Government Annuities, end of year	347,337	377,266

14. Due to Canada Pension Plan (CPP)

The Minister of HRSD, on behalf of the Government of Canada, is responsible for the administration of the *Canada Pension Plan*. The financial activities of the Canada Pension Plan (the Plan) are not part of HRSD's reporting entity because it is under joint control of the federal and the participating provincial governments. It operates in all parts of Canada, except in Quebec which operates a comparable program.

The Plan is a compulsory and contributory social insurance program which is designed to provide a measure of protection to Canadian workers and their families against loss of earnings due to retirement, disability or death.

Under existing arrangements, all pensions, benefits and expenditures incurred in the administration of the Plan are financed from contributions made by employees, employers and self-employed persons, and from investment returns.

The CPP account (the Account) was established in the accounts of Canada to record the contributions, interests, pensions and benefits and administration expenditures of the Plan. These transactions also include the contributions which are collected by the Canada Revenue Agency, and which are credited, net of refunds, to the Account.

The revenues and expenses are recorded as increase and decrease to the account. The detailed revenue, expenses, assets and liabilities are reported in the CPP distinct set of Financial Statements. The year-end liability represents the balance of the CPP assets on deposit in the Consolidated Revenue Fund.

	2006	2005
	(in thousands of dollars)	
Canada Pension Plan, beginning of year	2,771,044	7,482,952
Receipts and other credits	55,319,600	43,751,251
Payments and other charges	(57,939,793)	(48,463,159)
Canada Pension Plan, end of year	150,851	2,771,044

15. Other liabilities

Civil Service Insurance Fund – This account was established by the *Civil Service Insurance Act*, introduced to enable the Minister of Finance to contract with a person appointed to a permanent position in any branch of the public service, for the payment of certain death benefits. No new contracts have been entered into since 1954, when the Supplementary Death Benefit Plan for the Public Service and Canadian Forces was introduced as part of the *Public Service Superannuation Act* and the *Canadian Forces Superannuation Act*, respectively. As of April 1st, 1997, the Department of HRSD assumed responsibility for the administration and the actuarial valuation of the *Civil Service Insurance Act*.

Other liabilities – This account includes certain other funds in which special categories of revenues and expenses report transactions of certain accounts where enabling legislation requires that revenues be earmarked, and that related expenses be charged against such revenues. The expenses and revenues are recorded as increases and decreases to the liability accounts and are not recorded as revenues and expenses of HRSD.

	2006	2005
	(in thousands of dollars)	
Civil Service Insurance Fund	6,284	6,755
Other liabilities	9,058	8,749
Total other liabilities	15,342	15,504

16. Equity of Canada

The department includes in its revenues and expenses transactions for the Employment Insurance program. The *Employment Insurance Act* and regulations requires that the employer and employee contributions and related revenue be segregated and that related expenses be charged against this revenue.

	2006	2005
	(in thousands of dollars)	
Restricted Equity for EI, opening balance	48,547,419	46,231,557
Revenues under the EI program	18,318,927	18,700,631
Expenses under the EI program	(16,050,084)	(16,384,769)
Restricted Equity for EI, closing balance	50,816,262	48,547,419
Unrestricted Equity	(41,288,053)	(43,833,684)
Equity of Canada	9,528,209	4,713,735

17. Contingent Liabilities

(a) Claims and litigation

Claims have been made against the department in the normal course of operations. Some of these potential liabilities may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded in the financial statements. As at March 31, 2006, HRSD has 28 claims outstanding. Based on Justice Canada's legal assessment of potential liability, no liability was recorded in at March 31, 2006.

(b) Loan guarantees

Losses on loan guarantees are recorded in the accounts when it is likely that a payment will be made to honour a guarantee and where the amount of the anticipated loss can be reasonably estimated. The amount of the allowance for losses is determined by taking into consideration historical loss experience and current economic conditions. The increase or decrease in the allowance for loan losses between years is recorded in operating expenses. As at March 31, 2006, HRSD has guaranteed the following debt:

	Authorized Limit	Contingent Liability
	(in thousands of dollars)	
Guaranteed loans under the <i>Canada Student Loans Act</i>	10,781,963	240,524

Under the *Canada Student Loans Act*, HRSD guarantees loans made by banks, credit unions, and certain other companies to qualifying students. The terms of repayment are established on the basis of the attendance at a designated educational institution. As at March 31, 2006, HRSD has an allowance for loan losses of \$38.5 million for these guarantees (\$51.4 million as at March 31, 2005).

18. Contractual obligations

The nature of the department's activities can result in some large multi-year contracts and obligations whereby the department will be obligated to make future payments when the services/goods are received. Significant contractual obligations that can be reasonably estimated are summarized as follows:

	2007	2008	2009	2010	2011 and thereafter	Total
	(in thousands of dollars)					
Transfer payments	961,067	461,557	347,201	12,280	250	1,782,355
Operating and Maintenance	115,000	55,000	17,000	-	-	187,000
Operating leases	6,079	-	-	-	-	6,079
Total contractual obligations	1,082,146	516,557	364,201	12,280	250	1,975,434

19. Related party transactions

HRSD is related in terms of common ownership to all Government of Canada departments, agencies and Crown Corporations. The department enters into transactions with these entities in the normal course of business and on normal trade terms. Also, during the year, the department received services which were obtained without charge from other federal government departments as presented in part (a).

(a) Services provided without charge:

During the year, the department received services without charge from other federal government departments. These services include the employer's contribution to the health and dental insurance plans and legal fees. These services without charge have been recognized in the department's Statement of Operations as follows:

	2006	2005
	(in thousands of dollars)	
Employer's contributions to the health and dental insurance plans paid by Treasury Board Secretariat	29,054	28,132
Legal services provided by Justice Canada	3,432	3,795
Total services provided without charge	32,486	31,927

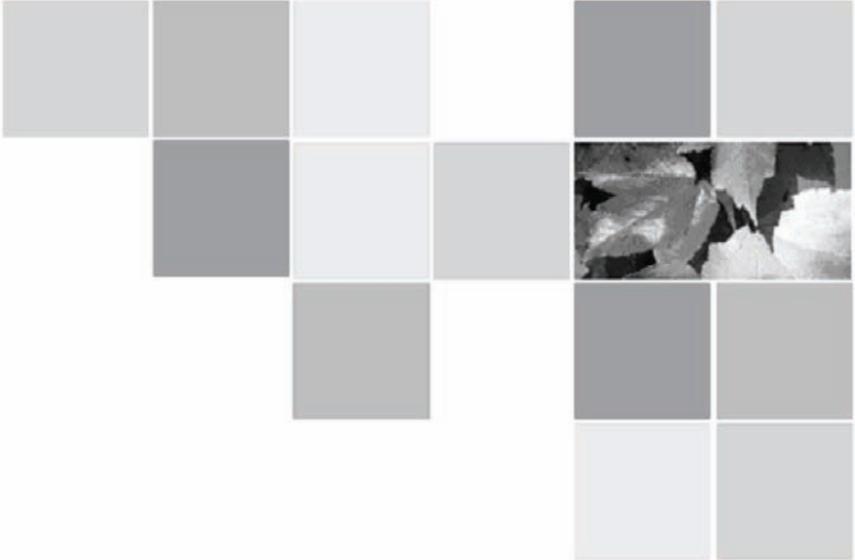
The Government has structured some of its administrative activities for efficiency and cost-effectiveness purposes so that one department performs these on behalf of all without charge. The costs of these services, which include payroll and cheque issuance services provided by Public Works and Government Services Canada and audit services provided by the Office of the Auditor General, are not included as an expense in the department's Statement of Operations.

(b) Agreements signed with other federal government departments:

Service Canada (SC) has several agreements with other federal government departments in order to deliver programs through SC offices across Canada. As of March 31, 2006, SC had signed agreements with the following departments: Agriculture and Agri-Food Canada, Citizenship and Immigration Canada, Canada Revenue Agency, Human Resources and Social Development, Public Works and Government Services Canada, Passport Canada, Transport Canada, and Veterans Affairs Canada.

20. Comparative information

Comparative figures have been reclassified to conform to the current year's presentation.



OTHER ITEMS OF INTEREST

Diagram 5: 2004-2005 SDC PAA Crosswalk to 2006-2007 SDC PAA

2004-2005 SDC PAA Cross Walk to 2006-2007 SDC PAA					
Strategic Outcomes SDC PAA 2004-2005					
A Canada where the quality of life and inclusion for Seniors is enhanced and poverty alleviated through sustainable public pensions, benefits and supports.	A Canada where the social and economic participation of Persons with Disabilities is enhanced.	A Canada where vibrant communities meet the social development needs of Canadians.	A Canada where the capacities of Individuals, Children, Families and Communities are strengthened in order to promote social inclusion, participation and well-being.	A Canada where service delivery is focussed on citizen needs.	
Program Activities					
Income Support	Inclusion and Participation	Vibrant Communities	Investment in Children and Families	Service Innovation	
Strategic Outcomes SDC PAA 2006-2007					
Strengthen our social well-being: <ul style="list-style-type: none"> – By enhancing income security for Canadians – By advancing social policy and evidence-based knowledge to promote effective social development initiatives – By fostering a more inclusive and stronger civil society that will increase opportunities for all Canadians to participate actively; and – By increasing engagement and collaboration with our partners to ensure better, innovative and complementary social initiatives that give Canadians greater confidence in their social infrastructure ... to meet the understanding and expectations that we Canadians have for ourselves and for our society.				Ensure and transform the delivery of service and benefits to Canadians with citizen-centred, service-based focus.	
Program Activities					
Social Investment: Ensuring core social programs are secure and adaptable to changing needs.		New PAA Element Social Development Policy and Innovation: Meeting the expectations of Canadians by developing innovative solutions, founded on Canadian values.		Service Delivery: Providing access to high quality government information, service and benefits.	New PAA Element Corporate Management



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