

Human Resources and Skills Development Canada

**2004-2005
Estimates**

A Report on Plans and Priorities

Approved by:

The Honourable Joseph Volpe, P.C., M.P.
Minister of Human Resources and Skills Development Canada

The Honourable Joseph Frank Fontana, P.C., M.P.
Minister of Labour and Housing



I am pleased to present the *2004-2005 Report on Plans and Priorities* and present our agenda for the forthcoming years.

As you know, the Government of Canada is committed to strengthening Canada's social foundations, building a 21st-century economy, and to ensuring Canada's role in the world. Human Resources and Skills Development Canada (HRSDC) plays a key role in meeting these commitments by creating opportunities for skills development, learning and employment to support the economic advancement of Canadians, their families and communities.

These efforts will result in a better quality of life for all Canadians. HRSDC is working with the provinces and territories, as well as business and labour, so that all Canadians have the opportunity to develop skills and succeed.

We recognize that we need to take steps to build a lifelong learning culture that ensures Canadians have the foundation skills they require, affordable access to learning opportunities, a learning system that is responsive to their needs and that of the economy, and have the information they need to make learning decisions. A series of enhancements to the Canada Student Loans Program (CSLP) and the Canada Education Savings Grant Program (CESG) were announced to ensure that all Canadians who want to learn will have this opportunity. The Government of Canada also announced improvements to the CESG that will help low-income families save for the post-secondary education of their children and will introduce the new Canada Learning Bond, an incentive to help low-income families kick-start saving for their children's education.

The *2004-2005 Report on Plans and Priorities* demonstrates that HRSDC will work strategically to meet the needs of Canadians. For example, we will improve service delivery to Canadians, renew our strategy for Aboriginal human resources development, develop a workplace skills framework to strengthen the partnership between industry, employers and workers, and develop a pan-Canadian framework for literacy and related strategies. We will be reshaping government policies and programs to address the real needs of Canadians.

We are also committed to continuous improvement in the administration of our programs. For example, we will continue our work to strengthen the management and financial stewardship of our grants and contributions programs. This year, we will also table departmental legislation in Parliament to establish the new department.

These are just some of our priorities outlined in this report. Canada is stronger when its citizens fully contribute their skills and talents to the labour market and our society. We are proud of the fact that we at HRSDC are united in our dedication to advance the government's goal of human capital development.

The Honourable Joseph Volpe, P.C., M.P.
Minister of Human Resources and Skills Development



I am pleased to present our ambitious agenda for the coming year, particularly with my new responsibilities which now include Labour and the Canada Mortgage and Housing Corporation together with the National Homelessness Initiative.

The Government of Canada recognizes homelessness as a priority and encourages practical, local solutions – offering a strong validation of the community-driven approach of the National Homelessness Initiative. Partnerships enhance the capacity of Canadian communities to address homelessness in a sustainable way. Together all levels of government, the private sector, unions and non-governmental organizations are working at

the local level to provide an array of services to meet the needs of homeless individuals and families and those at risk of becoming homeless. To help break the cycle of homelessness, we look forward to the strengthened integration between homelessness and housing initiatives.

The Labour Program promotes a safe, fair, healthy, stable and cooperative workplace both in Canada and abroad. We will continue to modernize our labour legislation and explore new ways of improving the administration of our labour law to support fair, safe, healthy, flexible and productive workplaces. Through the work of our conciliators and mediators, we will continue to support the industrial relations system by assisting employers and unions in the collective bargaining process. We will also continue to demonstrate federal leadership through research on workplace practices and labour related issues. The Labour Program will promote work-life balance through its research and information sharing activities in order to reduce work-life conflict and contribute to improved productivity. In support of the Government of Canada's commitments to Aboriginal people, the Labour Program is committed to developing an Aboriginal labour affairs strategy.

The Government of Canada is also committed to seeing the benefits of global interdependence spread more fairly throughout the world. This calls for multilateral institutions that work, and for greater collaboration among nations to ensure that economic policies go hand-in-hand with stronger social programs to alleviate hunger, poverty and disease, and to help raise the standard of living in developing countries.

Last fall, in the Americas, we took a major step forward to meet this commitment when the Labour Ministers of Canada, Brazil and Mexico presented a report that highlighted that economic integration is key to the future of workers in this hemisphere, and that modern effective labour policies are critical to the success of a global economy.

Our agenda for 2004-2005 is challenging. We are committed to improving the lives of Canadians by building on our efforts to date.

*The Honourable Joseph Frank Fontana, P.C., M.P.
Minister of Labour and Housing*

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Management Representation Statement

I submit, for tabling in Parliament, the 2004-2005 Report on Plans and Priorities for Human Resources and Skills Development Canada.

This report has been prepared to meet the reporting principles and disclosure requirements contained in the *Guide to the preparation of the 2004-2005 Report on Plans and Priorities*.

- ♦ It accurately portrays the organisation's plans and priorities.
- ♦ The planned spending information is consistent with the directions provided in the Minister of Finance's Budget for 2004 and by the Treasury Board Secretariat.
- ♦ It is comprehensive and accurate.
- ♦ It is based on sound departmental information and management systems.

The reporting structure on which this report is based has been approved by Treasury Board Ministers and is the basis by which we can be held to account for the results achieved with the resources and authorities provided.

Wayne G. Wouters
Deputy Minister
Human Resources and Skills Development

Date

Management Representation Statement

On July 20, 2004, the Prime Minister announced the Minister of Labour and Housing as part of the new Cabinet. In addition to Labour and the Canada Mortgage and Housing Corporation portfolios, the Minister is also responsible for the National Homelessness Initiative.

The plans, priorities, planned spending and performance measures in support of the Labour program and National Homelessness Initiative are presented in the 2004-2005 Report on Plans and Priorities for Human Resources and Skills Development Canada.

Maryantonett Flumian
Associate Deputy Minister and Deputy Minister for Labour

Date

HRSDC OVERVIEW

Our Mandate

On December 12, 2003, the Government of Canada restructured departments to achieve demonstrable progress in three key areas:

- Strengthening Canada's social foundations;
- Building a 21st century economy; and
- Ensuring Canada's role in the world.

As part of this change, the Prime Minister created the new departments of Human Resources and Skills Development Canada (HRSDC) and Social Development Canada (SDC) from the former department of Human Resources Development Canada (HRDC).^a

HRSDC's vision is to build 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. 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 an efficient and inclusive labour market. This means the department has a central role in helping build a 21st century economy for Canada *and* in strengthening Canada's social foundations. Diagram 1 portrays HRSDC's vision and mission as well as its business lines and the strategic outcomes it has established.

The department contributes to meeting its vision and mission by supporting human capital development, enhancing access to post-secondary education, supporting workplace skills development, and encouraging lifelong learning for Canadians. The department works toward enhancing Canadian communities' capacity to overcome homelessness. It also promotes a safe, healthy, fair, stable, cooperative and productive work environment. HRSDC is also taking steps to modernize the way benefits and services are delivered, to improve its capacity to reach, engage and serve Canadians.

Good relations with the provinces and territories are an integral component of HRSDC's mandate. The department works closely with provinces and territories on learning, homelessness, labour market and workplace issues.

As part of its mandate, HRSDC is responsible for a national in-person service network to support the delivery of programs and services, those of Social Development Canada, and for Service Canada. As part of this regional network, HRSDC is responsible for the management of 105 Employment Insurance Processing Centres and eleven Income Security Programs Processing Centres which are managed through an agreement with Social Development Canada. These centres are components of the mail channel for service delivery. Social Development

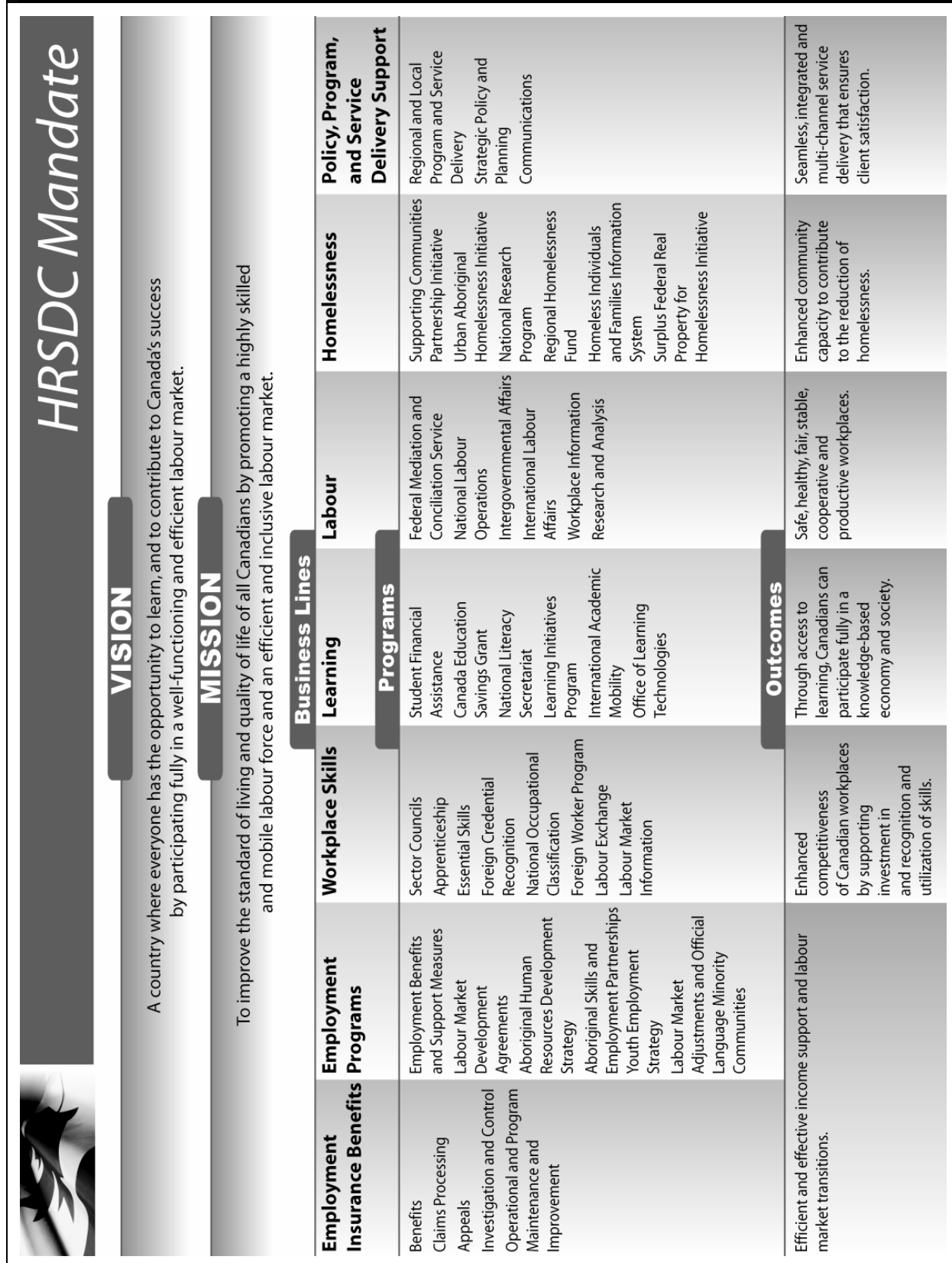
^a Annex 1 provides a detailed outline of the allocation of programs, services and activities from the former HRDC to the new departments of Human Resources and Skills Development Canada and Social Development Canada.

Canada's network of call centres and on-line services supports the delivery of HRSDC programs including Employment Insurance and the Canada Student Loans Program, as well as its own programs. This shared service delivery model ensures that Canadians receive seamless, single window in-person service for local services and benefits delivery, and maximizes the cost-effectiveness and resource-efficiency of the two new departments.

On March 8, 2004 by Order-in-Council, Minister Volpe assumed responsibility for the Toronto Waterfront Revitalization Initiative.

Finally, on July 20, 2004, the Prime Minister announced the new Cabinet including the Minister of Labour and Housing. In addition to the responsibilities associated with the Labour and Homelessness programs, the Minister is also responsible for the Canada Mortgage and Housing Corporation.

Diagram 1



Our Business

HRSDC is a large government department. The department has over 14,000 employees, and is responsible for over \$20 billion in spending to benefit Canadians. Annex 6 provides an overview of the programs and services delivered by the department.

HRSDC's responsibility for direct service delivery to Canadians is anchored in an in-person network of approximately 320 Human Resource Centres of Canada (HRCC), as well as regional offices in each of the provinces. In addition, HRSDC is responsible for operation of the Government of Canada's in-person network of Service Canada access centres. The Service Canada network includes 76 access centres across Canada, of which 73 are directly managed by HRSDC, and three are operated by the Department of Canadian Heritage. Of the 73 HRSDC locations, 66 are located within HRCCs, and seven are operated from the premises of third party organizations.

Our Strategic Outcomes

HRSDC has developed new strategic outcomes. These strategic outcomes reflect the results the department is expected to achieve through its broad array of programs and as part of the Government of Canada's service delivery network. The strategic outcomes provide the structure against which results will be reported and the framework for the development of departmental performance measurement. The department's strategic outcomes are:

- Efficient and effective income support and labour market transitions;
- Enhanced 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; and
- Seamless, integrated and multi-channel service delivery that ensures client satisfaction.

To deliver on its mandate and meet these strategic outcomes, HRSDC has established new business lines:

Employment Insurance Benefits – provide temporary financial assistance to unemployed Canadians who qualify under the *Employment Insurance Act*, while they look for work, as well as assisting families in balancing work and family responsibilities during periods of unemployment as a result of sickness or injury, pregnancy, parental leave, and caring for gravely ill or dying family members.

Employment Programs – assist unemployed participants to prepare for, find and maintain employment. Some employment programs (those funded under Part II of *Employment Insurance Act*) are delivered through Labour Market Development Agreements with the provinces and territories (five agreements are co-managed, while seven are fully devolved – there is no agreement with Ontario) as well as with Aboriginal partners through 79 Aboriginal Human

Resources Development Agreements, and thirteen other government departments and agencies in support of the Youth Employment Strategy.

Workplace Skills – work with sector councils and other partners to promote workplace-related learning and skills development; prepare and disseminate labour market information; facilitate the entry of skilled and temporary foreign workers and address issues of immigrant labour market integration.

Learning – support 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 business line include the Canada Student Loans Program, Canada Education Savings Grant, and a number of learning and literacy programs.

Labour – promote a safe, healthy, fair, stable, cooperative and productive workplace and is responsible for the *Canada Labour Code*, the *Employment Equity Act*, the *Government Employees’ Compensation Act*, as well as other legislation on wages and working conditions.

Homelessness – assist communities, through partnerships, in implementing measures that help homeless individuals and families to move towards self-sufficiency, thereby contributing to society and the economy.

Policy, Program and Service Delivery Support – provide direct service to clients for both the departments of Human Resources and Skills Development Canada and Social Development Canada. Work undertaken in this business line also includes Policy and Communications.

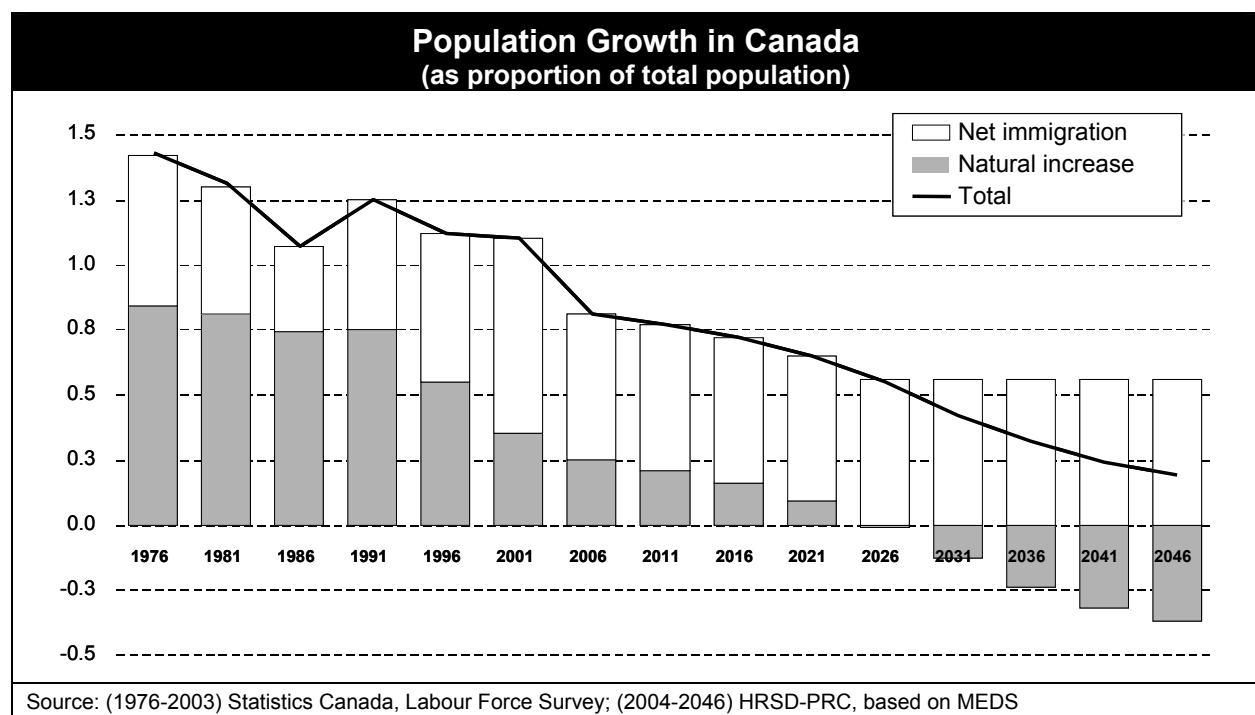
Planning Overview

As a new and large department that includes management of a national service delivery network, HRSDC faces a range of policy, program, service delivery and management challenges and risks. The following sections set out the context for the department's work and its priorities.

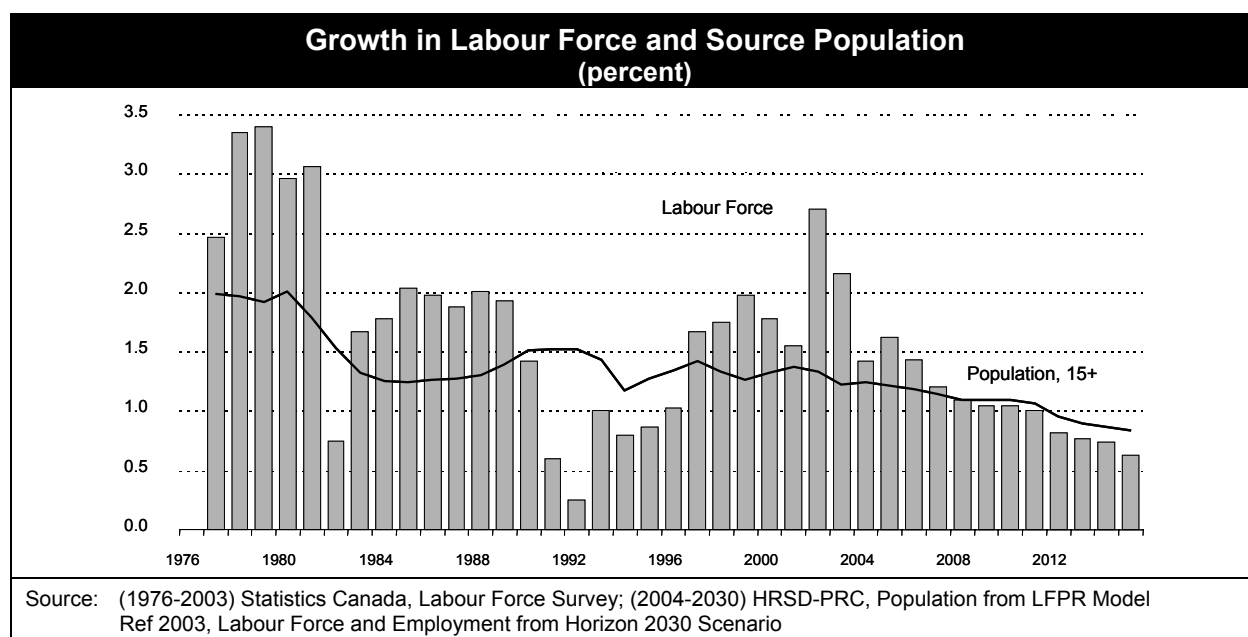
The Demographic and Economic Environment

The current context for HRSDC is a resilient economy which has resumed healthy growth after the shocks of the past few years (such as the stock market collapse of 2001, the Severe Acute Respiratory Syndrome crisis of 2003, the ban on beef export and the pronounced appreciation of the Canadian dollar) with comparatively healthy labour markets by the standards of the last quarter century, but which now faces prospective declines in population and potential labour force growth.

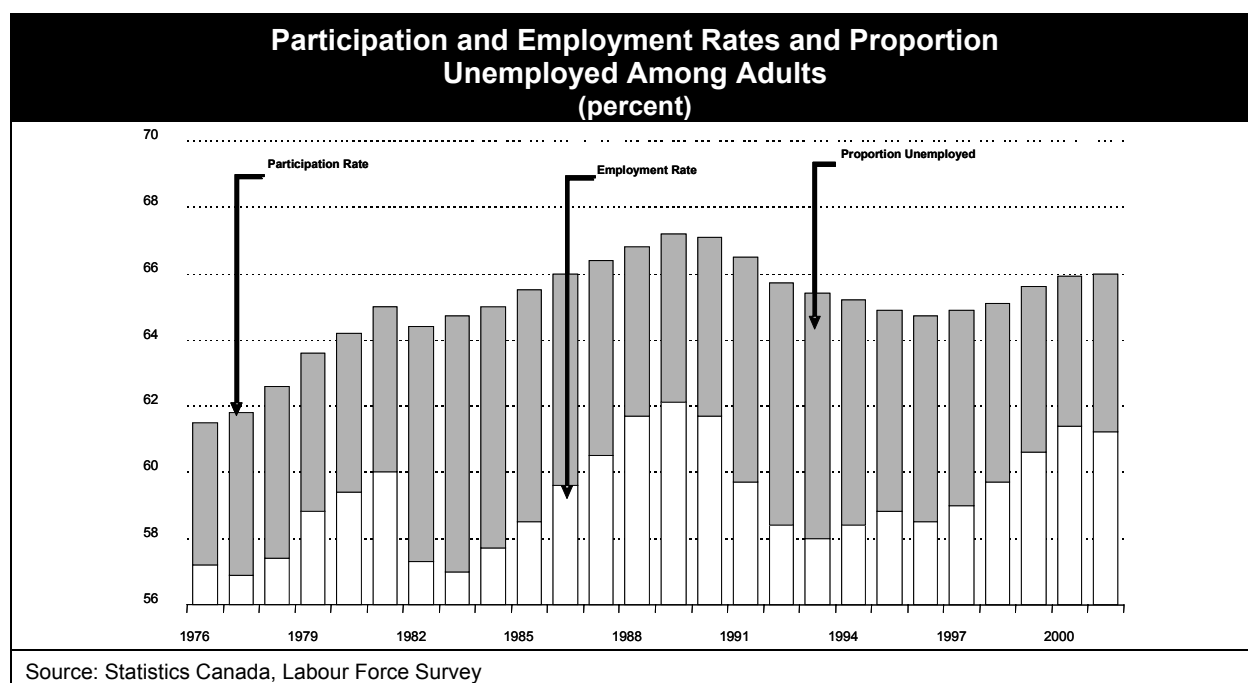
Canada's **population growth** rate has been decreasing during the last few years and will continue to slow in coming years, as the **natural population increase** (births less deaths) continues to slow. **Net immigration** has already become the main source of population growth. Slower population growth will inevitably be accompanied by slower labour force growth, which will be exacerbated as population ageing lowers **labour force participation rates**.



The context for the expected slowing in labour force growth is one of labour markets at a high level of employment. Canada's economy continues to rebound from the slowdown of 2002. This has led to a continued healthy labour market, with ongoing solid job growth and an **employment ratio** (employed Canadians as a share of the population aged 15 and over) that attained record levels in 2003.



Driving the high employment ratio has been ongoing increases in the labour force participation rate, also at a record level, with recent gains especially evident among older workers. There is still room for further gains as the **unemployment rate** remains above the recent low set in 2000, but the expected acceleration of **Gross Domestic Product (GDP) growth** from two percent in 2003 to nearer to three percent in 2004 and even higher in 2005^b will help drive such gains.



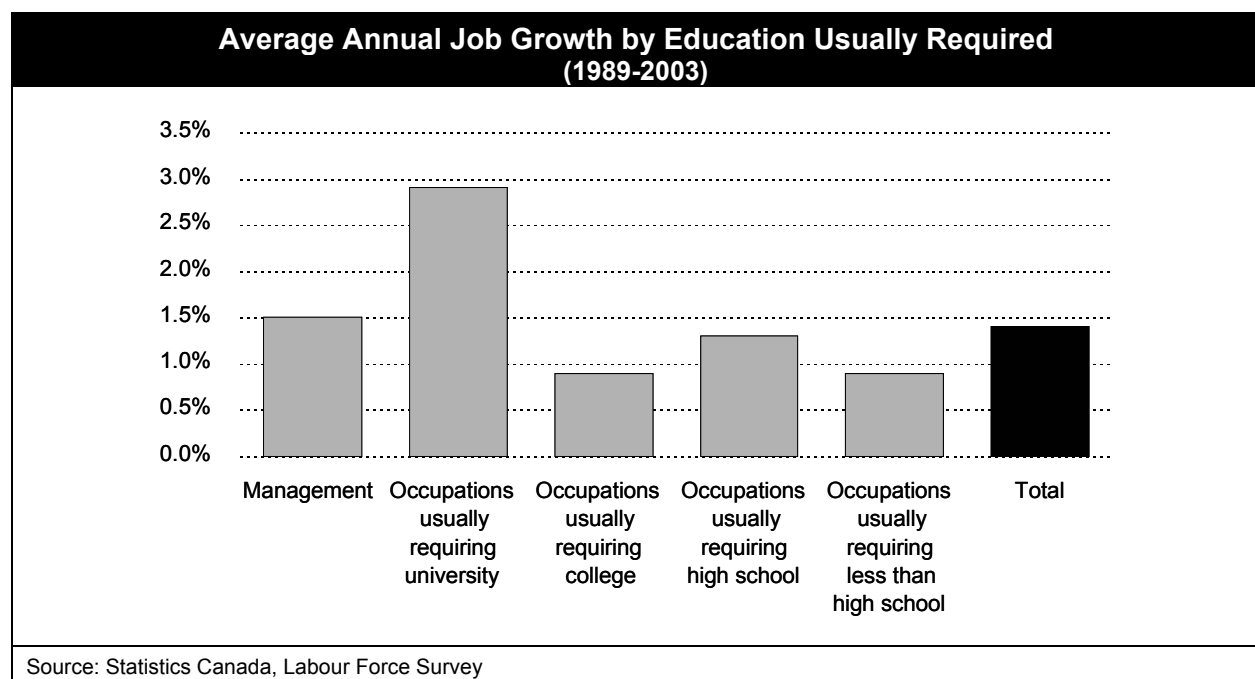
Thus the central labour market challenge of the 1980s and early 1990s - creating enough jobs for Canadian workers - is starting to transform into a challenge of finding enough workers for the jobs and sustaining a solid rate of growth in the economy.

^b «Private sector economists expect the Canadian economy to grow by an average of 2.7 percent in 2004, and they expect a further pickup in growth to 3.3 percent in 2005» (*Budget in Brief 2004*, Finance Canada).

Key to this will be better **productivity growth**. Since the mid-nineties Canada has seen gains in productivity growth. Combined with the record employment ratio, this has led to solid gains in **GDP per person**. Nonetheless, Canada's productivity growth remains generally below the strong performance observed in the U.S. with the result that the gap in output per hour worked between the two countries has widened to levels not seen since the early 1960s.

Labour force quality is a key contributor to productivity and standards of living. Higher levels of education and skills contribute to stronger growth both directly, in terms of worker productivity, and indirectly in terms of the new knowledge embedded in both technology and how the economy is organized. Higher education and skills also lead to better labour market outcomes: higher rates of labour market participation and employment, and higher **wage and salary rates**. They also help stimulate a 'virtuous circle' of even higher labour quality: better educated workers retain their skills better, especially literacy, they get greater access to employer-sponsored learning, and the kinds of jobs they get confer more on-the-job skills development so that their wage gains with years of work experience are higher.

In the past several decades Canada has seen major gains in the average **educational attainment** of its workforce, as older workers with lower attainment have retired and been replaced by higher-educated, younger cohorts. While overall population growth will increasingly depend on immigration in the future, Canadian 'school leavers' (those who complete their schooling in Canada) will continue for the foreseeable future to remain the main source of new workers, although they will be increasingly offset by retirement of existing, baby-boom generation workers. Here the news is good: Canada continues to see rising levels of participation in post-secondary education. But this will, in and of itself, not generate the same strong gains in labour force educational attainment seen in previous decades, as the higher educational achievement of the children of baby-boomers relative to *their* baby-boomer parents will be less than the much higher educational attainment of the boomers relative to *their* parents. Thus further gains in overall human capital quality will increasingly have to come via *lifelong* learning rather than just the formal schooling of youth.



In such a labour market, a key challenge is ensuring that labour market entrants have – and labour force participants maintain through lifelong learning – the skills to meet employers' needs, now and as they evolve. This requires a mix of skills, both higher and lower, obtained through a continuum of educational attainment encompassing high school, community college, trades apprenticeships and university and post-graduate degrees. Although the highest job growth will occur in occupations requiring the higher levels of education, as has been the case for years, there will also continue to be growth in the number of jobs requiring less than high school education. The skills also have to match the specific kinds of jobs that are opening: biochemist jobs require biochemists. Currently, shortages are appearing and are anticipated in a number of specific occupations such as high-skilled computer specialists, some trades, university professors in some disciplines, and nurses. There are also shortages in specific regions, reflecting their specific economic circumstances (such as construction workers in Ontario). At the same time, labour market surpluses continue to exist, although they tend to be concentrated among low skill occupations (e.g. clerical) and in declining sectors. As well, employment and unemployment rates will continue to vary widely across regions.

It will also be important to ensure the better integration of specific groups into the labour market. The difficulties experienced by recent immigrants in finding employment suitable to their skill level, and the continued problems older workers have finding new work following a job loss constitute two examples of the type of structural labour market challenges that remain and need to be solved. This is especially so given that recent immigrants and older workers are accounting for a larger and larger proportion of the labour force. As well, the levels of labour market participation of marginalized groups such as persons with disabilities, Aboriginal peoples and homeless people continue to be low. Increasing labour market participation among these groups will help attain important social policy objectives, such as promoting inclusion.

Policy Environment

Through the Speech from the Throne and Budget 2004, the Government has made commitments that have a direct bearing on the work of HRSDC in creating new strategic approaches to respond to the emerging economic, labour market and learning needs of Canadians.

In the area of learning, the Government committed to:

- improving the Canada Student Loans Program (CSLP) to help overcome financial barriers to post-secondary education; and
- Creating new incentives to encourage low-income families to begin investing in children for their long-term education. These measures include the introduction of a Canada Learning Bond and enhancements to the Canada Education Savings Grant on Registered Education Savings Plan, providing some 20,000 students from low-income families with new grants and increasing the loan ceiling and modernizing eligible expenses under CSLP.

In support of workplace and skills development, the government committed to:

- Refining and enhancing its programs to encourage skills upgrading, in concert with sector councils, unions, and employers; and
- Improving recognition of foreign credentials.

In the area of labour market and employment programs, the Government announced that it would:

- Work with provinces to update labour market programming to better reflect the realities of work in the 21st century, including the growth in self-employment and the need for continuous skills upgrading;
- Renew the Aboriginal Human Resources Development Strategy;
- Work with communities to find solutions to the issues Aboriginal people face through the Urban Aboriginal Strategy; and
- Ensure that minority language communities have the tools that enable their members to contribute fully to the development of Canadian society.

In the area of Employment Insurance Benefits, the Minister announced that the Government of Canada will implement new measures, totalling between \$229 million over three fiscal years, to help seasonal workers. Further, the Prime Minister announced the renewed mandate of the Task Force on Seasonal Work. The Task Force will evaluate the challenges born by seasonal industries while looking into the needs of workers and communities that depend on them and provide advice on areas for possible action in the future.

In the area of homelessness, the Government of Canada also confirmed that “tackling homelessness” is a national priority. The Speech from the Throne provides support for addressing homelessness, emphasizing the need to strengthen social and economic outcomes for all Canadians, implement a new deal for communities, and work in partnership to respond to complex issues such as Aboriginal homelessness. At the Canada-Aboriginal Peoples Roundtable held on April 19, 2004, the Prime Minister committed to a national strategy to deal with housing issues off-reserve and to a new partnership with Aboriginal peoples, which will have a direct impact on Aboriginal housing and homelessness issues.

The Minister signed an Agreement in Principle on Quebec's Parental Insurance Plan with the Government of Quebec. The Government of Canada and the Government of Quebec committed to concluding a final agreement by February 1, 2005, that meets the principles in the Agreement as well as providing for the administrative, financial and other provisions under which Quebec's plan would be established.

On behalf of the Government of Canada, the Minister also signed a memorandum of agreement with the Government of Ontario that commits the two governments to explore collaboration in the delivery of public services, particularly reintegration of labour market programs and service delivery.

The Prime Minister created the Minister of Labour and Housing as part of his announcement of the new Cabinet on July 20, 2004. The department will be assessing the implications of this announcement in terms of housing and will provide more detailed and fulsome reporting in the 2005-2006 Report on Plans and Priorities.

Management Challenges

Canadians, as taxpayers, as clients of services and as citizens, expect accountability, openness, transparency and value-for-money from their governments. All Government of Canada departments and agencies are working to improve their organizational effectiveness and

strengthen public sector management. In *Strengthening Public Sector Management*, the Government announced plans to transform and strengthen public sector management including measures to:

- Strengthen comptrollership and oversight;
- Review government expenditures and modernize management practices;
- Assure accountability, transparency, good governance, and an enhanced role for Parliament; and
- Build capacity across the federal public service.

The Treasury Board Secretariat has launched a series of initiatives to transform and strengthen public sector management and financial accountability within the Government of Canada. These initiatives are intended to increase oversight, ensure effective public spending in areas of government priority, support accountability, transparency, good governance and an enhanced role for Parliament. These initiatives include the following:

Strengthen Comptrollership and Oversight

- Strengthening internal audit and evaluation capacity across the public sector.
- Publicly disclosing all contracts entered into by the government of Canada for amounts over \$10,000 with limited exceptions.

Expenditure Review

- Spending and operational review of the 30 largest departments and agencies.
- Government operations reviews (e.g. capital assets management; public sector compensation and comparability; corporate and administrative services; service delivery infrastructure; use of information technology and its management).

Accountability, Good Governance and an enhanced role for Parliament

- Review of the *Financial Administration Act*.
- Review of Accountabilities of Ministers and Senior Public Servants.

Building Public Service Capacity

- Creating a core learning curriculum for public servants.
- Developing specialized programs for advanced financial management and other core management functions.
- Introducing enterprise-wide financial and human resource information systems.

The Prime Minister announced in December 2003 that democratic reform was a priority for his government. One of the fundamental principles identified in the government's action plan to support democratic reform is "Parliament should have the tools to hold the government to account for the good stewardship of public resources."^c This plan commits Deputy Ministers and

^c http://www.pco-bcp.gc.ca/default.asp?Language=E&Page=Publications&doc=dr-rd/dr-rd_doc_e.htm#Messages

departments to using the government's recently released Management Accountability Framework to report to Treasury Board on their stewardship of public resources.

In her November 2003 report to Parliament, the Auditor General of Canada included a chapter on measuring and reporting the performance of the Employment Insurance Income Benefits Program. While the Auditor General acknowledged considerable effort goes into measuring the performance of this program, she made recommendations for improvement. The Auditor General of Canada also made recommendations to improve the provision of information to Parliament with respect to the impact of the 1996 changes to the *Employment Insurance Act*. In their response to the report, the Department and the Canada Employment Insurance Commission agreed with the recommendations and the areas identified by the audit and indicated that these issues would be addressed as a matter of priority.

The Standing Committee on Human Resources Development and the Status of Persons with Disabilities presented two reports in 2003 that are within the responsibilities of HRSDC addressing issues related to literacy and urban Aboriginal people. Departmental commitments in response to these reports have been integrated into the priorities for 2004-2005.

Corporate Risks

Risk assessment is an integral part of the departmental planning and priority process. The department reviewed its corporate level risks in light of its mandate and operating environment and has identified three key risk areas for 2004-2005:

- Service and benefits delivery support to Canadians, and support to the Government and Ministers during a process of organizational restructuring and internal re-organization;
- Diligent accountability for results, stewardship of resources and transparency of decision-making in light of rising public concern and mistrust directed toward governments and public servants over the use and management of taxpayers' money; and
- Demonstrating policy and program leadership within the context of fiscal restraint, internal reallocation and expenditure review across government.

HRSDC must ensure that service and benefits delivery disruptions do not occur during this period of transition and transformation. The department must also ensure that provision of service and advice to the government and the Minister is likewise not impeded.

The department is entrusted with responsibility for the administration and delivery of billions of dollars through its many programs and services. Public expectations for the integrity of management processes and accountability for results are rising.

Equally, the department must maintain and build its capacity to provide policy and program leadership to address the current and emerging economic and social issues facing Canadians in an increasingly complex environment, including fiscal restraint.

These priorities and the results HRSDC expects to achieve aim to address the challenges of its operating environment and to mitigate the risks. A detailed outline of the department's risks and its mitigation strategies is presented in Annex 2.

Plans and Priorities by Strategic Outcomes

Introduction

As a new department, HRSDC undertook to set new priorities and new strategic outcomes for the results to be achieved from its programs and services. HRSDC priorities for 2004-2005 relating to its policies, programs and services have been established for each business line to align with specific strategic outcomes. Taken together, the department's priorities fall into one of four strategic areas:

- Policy Renewal and Program Leadership;
- Service Transformation;
- Strengthened Management Practices and Expenditure Review; and
- Organizational Effectiveness.

Diagram 2 demonstrates the interconnectedness of each of these strategic areas. In each, the department has identified where it will need to make progress, and how it proposes to do so. In addition, the department has identified the key deliverables for its work – what it must achieve over the course of the planning year.

Diagram 2



The priorities and associated deliverables represent the department's support for government commitments, the response to important issues facing Canadians and areas for strengthened management practices. They also represent how, in addition to daily provision of services and benefits delivery, the department will achieve results to the benefit of Canadians as identified by the strategic outcomes. The achievement of its strategic outcomes does not rest with the department only. Without partners, the department alone cannot reach its goals. Success can only happen with the active participation of all players. Ensuring Canadians have the tools they need to participate fully in the labour market and society requires the active participation of a multitude of partners. The department will act as a catalyst.

First, cooperation with provinces and territories is required given their responsibility for education and labour market training. HRSDC will work closely with its provincial and territorial partners building on established relationships, through existing multilateral forums and bilaterally.

Employers and unions have an important role for workplace-based training; learning partners, not-for-profit organizations and community groups play an important role in providing information and services; and finally individuals are responsible to make personal decisions regarding the upgrading of their skills. They will all have to play their role for HRSDC to fully meet its objectives.

The complex nature of homelessness demands a multi-faceted approach with a variety of stakeholders, including all levels of government and partners such as the voluntary and private sectors. The National Homelessness Initiative works to bring them together, in a community-based approach, to provide a seamless array of services to meet the needs of homeless individuals and families.

Policy Renewal and Program Leadership

Canada continues to enjoy a relatively high standard of living. Countries that continue to prosper in the future will be those equipped with a highly skilled, adaptable and productive workforce.

Globalization, the emerging knowledge economy and slowing labour force growth are powerful drivers that are currently shaping Canada's labour market challenges. In addition, while Canada has one of the most educated workforces in the world, there are emerging skills gaps in three principal areas: Canada lags behind most other Organization for Economic Co-operation and Development (OECD) countries in terms of conferring advanced research degrees; Canada is experiencing shortages in many skilled trades; and many Canadians fail to gain the basic literacy and other essential skills they need to succeed in the knowledge-based economy. Meeting these challenges requires that HRSDC move forward on a human capital agenda based on two key pillars: 1) A lifelong learning agenda; and 2) An employment and skills strategy.

HRSDC's **lifelong learning agenda** will be aimed at building a culture of learning throughout the life course with a focus on expanding learning opportunities for Canadians. HRSDC's **employment and skills strategy** will focus on modernizing employment programs to help workers acquire the skills and support they need during periods of unemployment and other job transitions. A key focus of this work will be at the level of the workplace where developing the skills of adult workers would form a key element for achieving results for Canada both now and in the future. The agenda involves the development of a **workplace skills strategy** that will begin by focusing on more effective immigrant integration, strengthened skills development and

labour market attachment of Aboriginal people, re-invigorate the Sector Council model and develop initiatives to increase the number of successful apprentices.

Delivering on the department's human capital agenda requires the active involvement of provinces and territories, as well as other key learning partners. As a result, HRSDC will work collaboratively with provinces and territories, along with employers, labour, learning partners and community organizations to ensure a concerted and coordinated policy effort that is based on the involvement and support of all key players in Canadian society.

Service Transformation

HRSDC is committed to renewing its services and service delivery by focusing on citizen's needs. Modernizing Service for Canadians was initiated in 2002 and the department will work with Social Development Canada to make progress on modernization efforts. While continuing to develop transformation concepts and strategies, significant progress was achieved over the past year in specific areas:

- Harmonization of call centres;
- Improvements to the management of Social Insurance Number and the Social Insurance Registry;
- National implementation of Interdec, the on-line bi-weekly reporting system for Employment Insurance recipients; and
- Receiving more than 50% of EI applications via Appli-Web thereby improving the completeness of information and speed of processing.

In 2004-2005, HRSDC will continue to collaborate with Social Development Canada and other partners to improve services and service delivery on behalf of Canadians. The department is working to strengthen the quality and cost-effectiveness of the programs and services it delivers by making them client-centred, seamless, timely and integrated. Throughout this process of modernization and transformation, and given the importance of departmental programs and services to individuals, business, communities and community groups, HRSDC is committed to ensuring that Canadians receive uninterrupted service.

HRSDC has three key deliverables in this strategic area:

1. To undertake, with Social Development Canada, major transformation steps in delivering the Service Vision for Canadians and providing the foundation for improved service and benefits delivery;
2. To finalize plans for the delivery of Employment Insurance in line with the Service Vision; and
3. To develop options on service delivery and service transformation.

Strengthening Management Practices and Expenditure Review

The department is committed to management practices that:

- ensure financial stewardship;
- strengthen effective management;

- strengthen the integrity of service and benefits delivery;
- support the achievement and accountability for results; and
- ensure programs, services and policies undergo thorough review.

Grant and contribution program administration is a fundamental element of the department's efforts to strengthen **financial stewardship**. The department has initiated, in collaboration with the Treasury Board Secretariat, an independent third party review of grant and contribution programs which will provide advice on the most appropriate business model(s) for program delivery that meets the highest standards of administration and accountability.

The department is also proceeding with full implementation of the Specialization and Concentration initiative that could lead to the specialization of specific delivery steps.

In support of **strengthening effective management**, HRSDC will also work to strengthen the department's audit and evaluation function through the Audit and Evaluation Committee and developing, for example, risk-based audit and evaluation plans. Additionally, the department will implement the government's strategy to upgrade and certify the financial management skills of its managers and comptrollers. As part of government-wide initiatives, HRSDC is working to reinforce the importance of public sector values and ethics. One important element of this work has been the establishment of the departmental Office for Internal Disclosure to allow employees the opportunity to bring forward information concerning wrongdoing in the workplace without fear of reprisal.

In an effort to **improve the integrity of services and benefits delivery**, HRSDC has developed, in partnership with Social Development Canada, an enterprise-wide approach to managing the integrity of service and benefits delivery, to strengthen integrity across programs in a consistent way and with a common goal: to ensure that the right client receives the right benefit at the right time, and for the intended purpose.

HRSDC will also be working on three priority initiatives that will significantly enhance the integrity of service and benefit delivery:

- The first is Social Insurance Number/Social Insurance Registry (SIN/SIR) Integrity and Identity Management that will continue the process of improving the integrity of the SIN/SIR and will simplify identity related processes and tools used to access programs and services;
- The second is Vital Events Integration that see the implementation of a national model for linking the SIR and the vital events data of federal departments and provinces/territories with a focus on birth, marriage and death data (from provinces and territories) and landing data (from Citizenship and Immigration Canada); and
- The third is Risk Management and Integrity Operations that will ensure the integrity of program delivery through the introduction of proactive, enterprise-wide measures to improve the detection of integrity issues. At the same time, the focus will be on consistency to ensure fairness and transparency of program decisions.

A key component of supporting achievement and **accountability for results** is the improvement of the quality of reporting to Parliament and to the public. To ensure that Parliament has consistent and comprehensive information, efforts are being made to align departmental business lines with strategic outcomes, resources and performance measures.

A key aspect of organizational effectiveness and good governance is the continual **re-examination of programs, policies and services** to ensure they reflect government priorities, achieve the desired results and are delivered in an efficient manner. The department has identified expenditure reallocation commitments for 2004-2005 and will participate in the government-wide expenditure review processes as required.

Organizational Effectiveness

Effective organizations demonstrate high organizational performance within a sound governance framework. HRSDC is committed to being an effective organization and has undertaken a number of activities to support this priority, including:

- Putting in place a new organizational structure to support Ministers;
- Setting up a committee structure to ensure effective decision-making by senior executives and mechanisms to address issues of joint interest with Social Development Canada;
- Developing strategic outcomes and supporting detailed program activity architecture;
- Developing the departmental mandate; and
- Identifying priorities in support of the Management Accountability Framework.

One of the most important elements of departmental governance is legislation to establish the department and to set out the powers, duties and functions of the Ministers; it is from departmental legislation that its mandate is derived. HRSDC currently operates under the authority of the *Department of Human Resources Development Act*. The department will work to develop proposed legislation to reflect its new role and mandate.

In addition to implementing changes that arose as a result of restructuring, the department continued its efforts to demonstrate effective management practices to promote an effective, informed, adaptable and capable workforce:

- Informing and engaging employees about values and ethics that as public servants they are obliged to understand, respect and apply;
- Implementing an internal communications strategy to support change management;
- Developing a corporate Human Resource Plan that will include upgrading the management skills of HRSDC managers and executives; and
- Meeting or exceeding targets with respect to official languages and diversity of employees.

Detailed Priorities by Strategic Outcome

The following table aligns HRSDC's priorities for each of its business lines by strategic outcome.

STRATEGIC OUTCOME	
<i>Efficient and effective income support and labour market transitions</i>	
Business Lines	Priorities
Employment Insurance Benefits	<ul style="list-style-type: none"> • 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. • Provide timely and meaningful performance information to Parliamentarians using indicators that are inclusive and client based. • Improve the accuracy of Employment Insurance payments by improving quality of claims processing. • Enhance the integrity of the Employment Insurance program by protecting client information and reviewing control activities to ensure payments are made to the correct individuals. • Provide support to Canadians in regions of high unemployment by implementing and monitoring a two-year pilot project to increase EI benefit entitlement in these areas to address seasonal workers needs.^a
Employment Programs	<p>Active Employment Measures</p> <ul style="list-style-type: none"> • Improve the effectiveness of Active Employment Measures^b in assisting Canadians to prepare for, obtain and keep work and supporting employers in meeting their labour market needs. • Work with provinces and territories to develop a shared labour market vision in light of the current and emerging labour market challenges. • Work closely with Treasury Board Secretariat to renew the terms and conditions for Employment Benefits and Support Measures. <p>Youth Employment Strategy (YES)</p> <ul style="list-style-type: none"> • Complete implementation of Individual Skills Enhancement and a horizontal reporting structure for the 13 other Government of Canada partners delivering YES programs.

^a Funding for this initiative was announced after Budget 2004 and is not included in the planned spending figures.

^b Active Employment Measures consist of Employment Benefits and Support Measures (EBSM) under Part II of the *Employment Insurance (EI) Act* and targeted strategies for groups disadvantaged in the labour market or outside the EI system.

Business Lines	Priorities
	Aboriginal Human Resources Development Strategy (AHRDS) <ul style="list-style-type: none"> Work with stakeholders on proposed new policy directions for a renewed Strategy to be implemented by April 1, 2005. As part of the First Nations and Inuit Child Care Initiative, work with Social Development Canada, Health Canada and Indian and Northern Affairs Canada to develop a horizontal approach to Aboriginal Early Childhood Development program delivery.
	Aboriginal Skills and Employment Partnerships (ASEP) <ul style="list-style-type: none"> Enter into contribution agreements with the five ASEP project sponsors that have received approval and negotiate with eight more project sponsors.
	Official Language Minority Communities (OLMC) <ul style="list-style-type: none"> Implement policies to ensure continuity of Support Fund program activities, in support of human resources development, economic growth and job creation/maintenance in OLMC. Lead an interdepartmental and community engagement process to develop models for horizontal program delivery for longer term support to the OLMC.

Planned Spending				
Funding (millions of dollars)	Authority (Restated) ^a	Planned Spending		
	2003-2004	2004-2005	2005-2006	2006-2007
Gross Operating Expenditures	782.8	854.9	845.6	834.8
Non-Statutory Grants & Contributions	507.8	535.1	517.4	520.2
Statutory Transfer Payments	0.2	0.2	0.2	0.2
Total Gross Expenditures	1,290.8	1,390.2	1,363.2	1,355.2
EI Part I – Income Benefits	13,381.0 ^b	13,527.8	13,897.8	n/a ^c
EI Part II – Employment Benefits and Support Measures	2,053.2 ^b	2,092.9	2,092.9	n/a ^c
Total EI Benefits	15,434.2	15,620.7	15,990.7	
Government Annuities and Civil Service Insurance payments	58.4	55.2	52.0	
Total	16,783.4	17,066.1	17,405.9	
Full Time Equivalents	9,340	10,214	10,127	9,670

a Restated authority as a result of December 12, 2003 restructure of HRDC into SDC and HRSDC.

b EI Benefits for 2003-2004 represent the Budget 2004 forecasts.

c Forecasted expenditures for EI Benefits are available only for the planning years 2004-2005 and 2005-2006.

STRATEGIC OUTCOME***Enhanced competitiveness of Canadian workplaces by supporting investment in and recognition and utilization of skills***

Business Line	Priorities
Workplace Skills	<ul style="list-style-type: none"> • Develop Workplace Skills Strategy Policy Framework, including objectives, strategic directions and actions to meet current and emerging skills needs of the Canadian labour market and workplaces around the country. • Work with Sector Councils, unions and the learning system to ensure that employers' skills requirements are met and that they have access to a broad pool of talented and skilled workers. • Promote apprenticeship and skilled trades training with employers, unions, and potential participants to increase numbers of successful apprentices and to facilitate mobility among all parts of Canada. • Support occupational groups working on a Pan-Canadian basis to develop fair and equitable assessment and recognition tools and processes to facilitate the entry of foreign-trained individuals into the Canadian labour market.

Planned Spending				
Funding (millions of dollars)	Authority (Restated) ^a	Planned Spending		
	2003-2004	2004-2005	2005-2006	2006-2007
Gross Operating Expenditures	43.0	44.7	45.0	45.2
Non-Statutory Grants & Contributions	15.1	30.9	50.6	50.5
Total Gross Expenditures	58.1	75.6	95.6	95.7
EI Part II – Employment Benefits and Support Measures	42.9 ^b	64.7	64.7	n/a ^c
Total	101.0	140.3	160.3	
Full Time Equivalents	519	521	526	526

a Restated authority as a result of December 12, 2003 restructure of HRDC into SDC and HRSDC.

b EI Benefits for 2003-2004 represent the Budget 2004 forecasts.

c Forecasted expenditures for EI Benefits are available only for the planning years 2004-2005 and 2005-2006.

STRATEGIC OUTCOME

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

Business Line	Priorities
Learning	<ul style="list-style-type: none"> • Implement enhancements to the Canada Student Loans Program including required legislative or regulatory amendments. • Enhance the Canada Education Savings Grant and implement the Canada Learning Bond (CLB) including required regulatory amendments. • Enhance support for adult learners by supporting new literacy partnerships, expanding Community Learning Networks and piloting innovative approaches to address non-financial barriers to learning.

Planned Spending

Funding (millions of dollars)	Authority (Restated)^a	Planned Spending		
	2003-2004	2004-2005	2005-2006	2006-2007
Gross Operating Expenditures	96.1	148.7	183.5	201.7
Non-Statutory Grants & Contributions	36.7	29.8	30.1	30.1
Statutory Transfer Payments	804.5	821.8	930.3	956.3
Total Gross Expenditures	937.3	1,000.3	1,143.9	1,188.1
EI Part II – Employment Benefits and Support Measures	9.5 ^b	14.3	14.3	n/a ^c
Loans disbursed under the <i>Canada Student Financial Assistance Act</i>	1,374.1	1,254.7	1,130.2	892.0
Total	2,320.9	2,269.3	2,288.4	
Full Time Equivalents	463	408	408	408

a Restated authority as a result of December 12, 2003 restructure of HRDC into SDC and HRSDC.

b EI Benefits for 2003-2004 represent the Budget 2004 forecasts.

c Forecasted expenditures for EI Benefits are available only for the planning years 2004-2005 and 2005-2006.

STRATEGIC OUTCOME*Safe, healthy, fair, stable, cooperative and productive workplaces*

Business Line	Priorities
Labour	<ul style="list-style-type: none"> Review Part III (Labour Standards) of the <i>Canada Labour Code</i> to identify ways the legislation can support modern, flexible, productive and fair workplaces. Develop a Workplace Equity Integration Strategy for both Aboriginal people and persons with disabilities to increase the representation, upward mobility and retention in employment of these two designated groups. Develop an Aboriginal Labour Affairs Strategy to support federal government policy directed at Aboriginal communities in the areas of self-government negotiations, community capacity building and good governance. Develop an International Labour Affairs Strategy as a part of Canada's foreign and trade policy, to guide the policy, process and support for developing and implementing labour agreements as part of multilateral and bilateral trade initiatives. Develop policy options for a modernized Government Employees' Compensation system for workplace accidents and injuries, in support of public service modernization and sound administrative and financial principles.

Planned Spending				
Funding	Authority	Planned Spending		
(millions of dollars)	(Restated)^a	2004-2005	2005-2006	2006-2007
	2003-2004			
Gross Operating Expenditures	56.6	57.9	51.6	52.2
Non-statutory Transfer Payments	3.3	3.9	3.9	3.9
Workers' Compensation Payments	120.9	125.0	128.0	132.0
Total Gross Expenditures	180.8	186.8	183.5	188.1
EI Part II – Employment Benefits and Support Measures	0.3 ^b	0.7	0.7	n/a ^c
Total	181.1	187.5	184.2	
Full Time Equivalents	667	632	572	574

a Restated authority as a result of December 12, 2003 restructure of HRDC into SDC and HRSDC.

b EI Benefits for 2003-2004 represent the Budget 2004 forecasts.

c Forecasted expenditures for EI Benefits are available only for the planning years 2004-2005 and 2005-2006.

STRATEGIC OUTCOME***Enhanced community capacity to contribute to the reduction of homelessness***

Business Line	Priorities
Homelessness	<ul style="list-style-type: none"> • Strengthen community capacity to address gaps in the continuum of supports at the local level. • Foster collaboration among communities, all orders of government, private sector, unions and non-governmental organizations in addressing homelessness. • Increase knowledge and understanding of homelessness issues and trends to develop effective solutions.

Planned Spending

Funding (millions of dollars)	Authority (Restated)^a	Planned Spending		
	2003-2004	2004-2005	2005-2006	2006-2007
Gross Operating Expenditures	22.2	26.5	26.5	0.0
Non-Statutory Grants & Contributions	137.3	169.1	106.3	0.0
Total	159.5	195.6	132.8	0.0
Full Time Equivalents	241	278	275	0

a Restated authority as a result of December 12, 2003 restructure of HRDC into SDC and HRSDC.

Note: The National Homelessness Initiative has been renewed for 2003-2004 to 2005-2006 only.

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

Business Line	Priorities
Policy, Program and Service Delivery Support	<ul style="list-style-type: none"> • Provide uninterrupted service and benefits delivery. • Develop a human capital framework based on evidence that guides the department's policy priorities. • Develop communications strategies to support Ministers.

Planned Spending

Funding (millions of dollars)	Authority (Restated)^a	Planned Spending		
	2003-2004	2004-2005	2005-2006	2006-2007
Gross Operating Expenditures	286.2	216.5	217.3	218.1
Non-Statutory Grants & Contributions	88.3	115.9	111.2	111.2
Total Gross Expenditures	374.5	332.4	328.5	329.3
EI Part II – Employment Benefits and Support Measures	18.1 ^b	14.6	14.6	n/a ^c
Total	392.6	347.0	343.1	
Full Time Equivalents	2,680	1,784	1,783	1,783

a Restated authority as a result of December 12, 2003 restructure of HRDC into SDC and HRSDC.

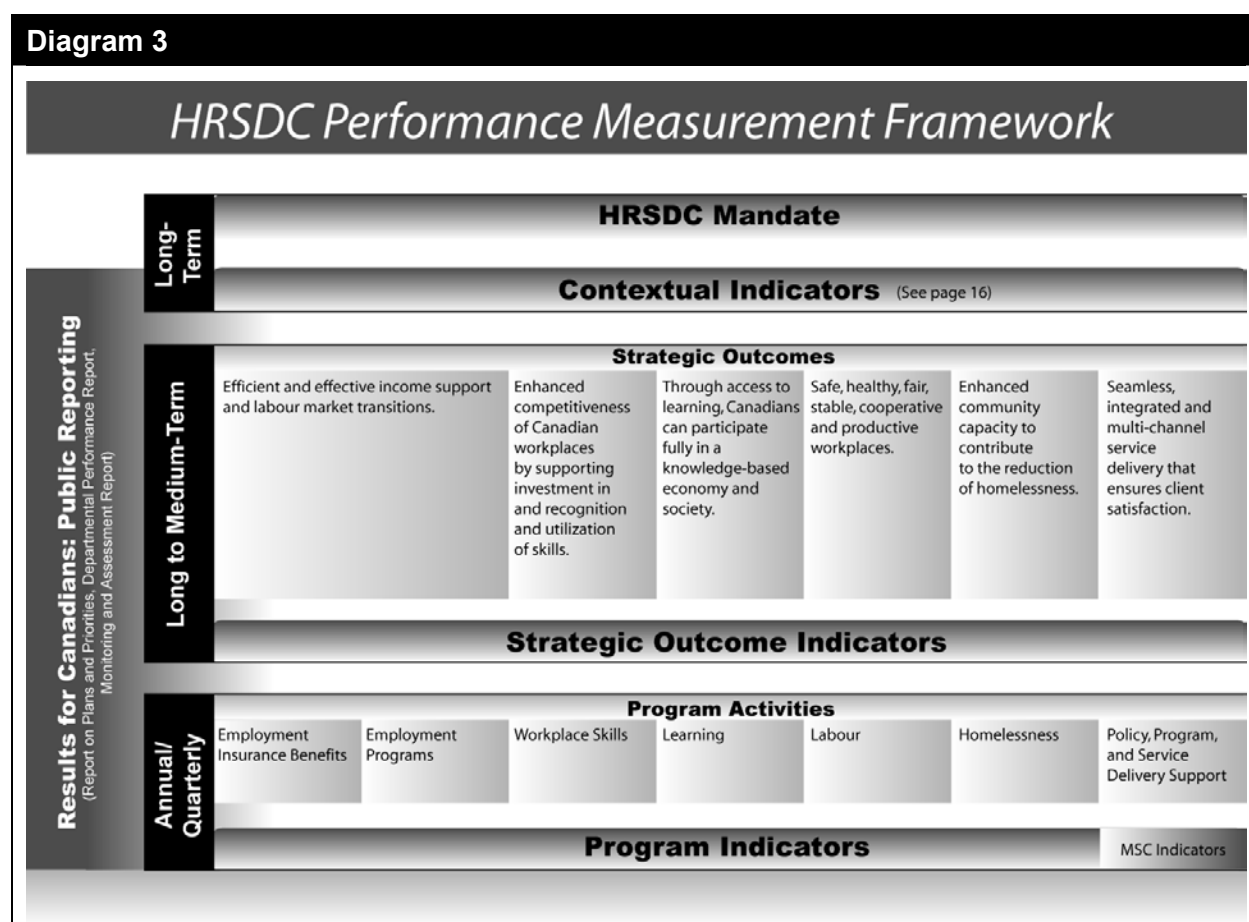
b EI Benefits for 2003-2004 represent the Budget 2004 forecasts.

c Forecasted expenditures for EI Benefits are available only for the planning years 2004-2005 and 2005-2006.

Performance Measurement Framework

Performance measurement is a critical tool to enable a department to focus on achieving results and demonstrating how programs and services benefit Canadians. With a new mandate and business lines, HRSDC has undertaken a comprehensive review to establish a new departmental performance measurement framework. This framework will facilitate both monitoring and reporting of results. The department is working to identify long, medium and shorter-term indicators that reflect its mandate and are aligned with its strategic outcomes, policies and programs.

HRSDC has identified the key elements that will comprise its performance measurement framework. Diagram 3 below sets out these elements.



First, to measure performance, it is important to understand the environment in which the department delivers its programs and services. **Contextual indicators** describe the demographic, economic, labour market and social environment and are found in the Planning Overview section of this document. Contextual indicators, such as population growth and level of economic activity, are outside of HRSDC's sphere of influence, but serve to frame HRSDC's environment and influence the set of policy and delivery options available.

Secondly, a set of indicators is needed to measure progress toward the strategic outcomes of the department. Strategic outcomes are the enduring benefits HRSDC is working to achieve on behalf of Canadians, in conjunction with other parties. **Strategic outcome indicators**, such as the percentage of unemployed Canadians looking for work for more than one year, are broad

measures that help to track progress toward achieving the identified strategic outcomes over the medium to long term. HRSDC policies and programs will be assessed in light of their contribution toward achieving these strategic outcomes. HRSDC is not the only influence on these outcomes – governments, along with key stakeholders and external factors play an important role. For example, the percentage of Canadians 18-24 years-old who attend university or community college is not only dependent on a range of HRSDC programs; it is also significantly influenced by the economy, employment and interest rates, as well as policies and programs of provinces and the actions of universities, colleges and individuals. Likewise, the labour programs of the department, while directly impacting workplaces under federal jurisdiction such as transportation and financial institutions, only form a small component of the overall Canadian workplace. HRSDC will continue to work on this set of indicators over the next year.

Finally, HRSDC needs to renew the **program indicators** used in the former HRDC department to demonstrate that HRSDC is effectively managing programs and services. The program indicators are intended to provide detailed, shorter-term results used for monitoring and improving programs and services – for instance, the percentage of accurate EI payments. The department is relying on the existing set of program indicators for this report, but will substantially review them over the coming year.

Below is the initial list of HRSDC strategic outcome and program indicators. Sources and more information on HRSDC's performance indicators can be found at (http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/ppr.shtml).

STRATEGIC OUTCOME

Efficient and effective income support and labour market transitions

Strategic Outcome Indicators:	Program Indicators:
<ul style="list-style-type: none"> ▶ Average percentage of unemployed looking for work (2003-2004): <ul style="list-style-type: none"> • 3 months or less (at most 13 weeks): 66.3% • From 4 to 6 months (14 to 26 weeks): 16.2% • From 7 to 9 months (27 to 38 weeks): 5.1% • From 10 to 12 months (39 to 51 weeks): 2.3% • One year or more (52 weeks and up): 10.1% ▶ Percent of unemployed targeted by Employment Insurance program potentially eligible to collect employment insurance: 2003 = 83.7% ▶ Increased duration of employment for participants in active employment measures: actual results to be reported when data becomes available. ▶ Increased earnings for participants in active employment measures: actual results to be reported when data becomes available. ▶ Average proportion of young Canadians (15-24 years-old) who are in school or in employment = 90% 	Employment Insurance Benefits <ul style="list-style-type: none"> • Percentage of initial and renewal claims finalized within 21 days from date of filing and 21 days of registration for revised claims. <i>Objective: 85%</i> • 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. <i>Objective: 80%</i> • Percentage of appeals scheduled to be heard by the Board of Referees within 30 days of receipt of the appeal. <i>Objective: 90%</i> • Percentage of client appeal dockets received at the office of the Umpire within 60 days from date of appeal filing (date of receipt). <i>Objective: 100%</i> • Percentage of accurate EI payments as measured by the Comprehensive Tracking System calculated on a 12 month moving average nationally. <i>Objective: 95%</i>

Strategic Outcome Indicators:	Program Indicators:
	<ul style="list-style-type: none"> • Savings from EI detection activities and from deterrence and prevention activities. <i>Objective: \$539 million</i> <p>Employment Programs</p> <ul style="list-style-type: none"> • Number of employment programs clients served. <i>Objective: 527,400</i> • Number of clients employed or self-employed following an employment program intervention (Consolidated Revenue Fund and Employment Insurance funded). <i>Objective: 245,700</i> • Unpaid Benefits (EI Part I) resulting from EI claimants employed following an EI Part II intervention. <i>Objective: \$887M</i> • Number of Youth and Aboriginal clients who return to school following an employment program intervention. <i>Objective: 58,100</i>

STRATEGIC OUTCOME

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

Strategic Outcome Indicators:	Program Indicators:
<ul style="list-style-type: none"> ▶ Fiscal year 2003-2004, unit labour cost increased by 0.8%, labour productivity remained constant, hourly compensation increased 0.8% ▶ Percent of adult work force that participated in job-related formal training: (2002) = 34.7% ▶ Percent of adult work force that participated in employer supported job-related training: (2002) = 25.0% ▶ Wages and salary earnings of university graduate recent immigrant men and women as a percentage of wages and salaries earnings of Canadian-born university graduates in 2000 = women 64%, men 62%, overall 65% 	<p>Workplace Skills</p> <ul style="list-style-type: none"> • Percentage of labour market covered by National Sector Councils. <i>Objective: 40%</i> • Number of trades people who receive Red Seal designation. <i>Objective: 13,000 per year</i>

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

Strategic Outcome Indicators:	Program Indicators:														
<p>► Percent population with post-secondary diplomas/degrees (2003): 25-34 year-olds = 52.8% 25-64 year-olds = 44.0%</p> <p>► Percent of adult population (aged 25-64) that participated in adult learning opportunities: 2002 = 36.7%</p> <p>► Percent of 18-24 year olds who attended university or community college by family income (1997):</p> <table border="1" data-bbox="228 747 824 972"> <thead> <tr> <th>University</th><th>Community College*</th></tr> </thead> <tbody> <tr> <td>\$25,000 or less = 19%</td><td>\$25,000 or less = 22%</td></tr> <tr> <td>\$25,001 to \$50,000 = 21%</td><td>\$25,001 to \$50,000 = 28%</td></tr> <tr> <td>\$50,001 to \$75,000 = 23%</td><td>\$50,001 to \$75,000 = 29%</td></tr> <tr> <td>\$75,001 to \$100,000 = 24%</td><td>\$75,001 to \$100,000 = 27%</td></tr> <tr> <td>\$100,000 + = 38%</td><td>\$100,000 + = 23%</td></tr> <tr> <td>Overall = 22%</td><td>Overall = 27%</td></tr> </tbody> </table> <p>* Includes community college, CEGEP, trade-vocational school.</p> <p>► Number of adults who attended university or college (aged 25-34) = 8.4%</p>	University	Community College*	\$25,000 or less = 19%	\$25,000 or less = 22%	\$25,001 to \$50,000 = 21%	\$25,001 to \$50,000 = 28%	\$50,001 to \$75,000 = 23%	\$50,001 to \$75,000 = 29%	\$75,001 to \$100,000 = 24%	\$75,001 to \$100,000 = 27%	\$100,000 + = 38%	\$100,000 + = 23%	Overall = 22%	Overall = 27%	<p>Learning</p> <ul style="list-style-type: none"> • Number of Canadians who benefit from the Canada Student Loans Program: (515,500 students/borrowers in 2002-2003) • Percentage of Canadians aged birth to 17 who are beneficiaries of a Registered Education Savings Plan (RESP) and who receive a Canada Education Savings Grant: (CESG) <i>Objective: 32%</i> • Number of Canadians who access learning opportunities as a result of the Canada Education Savings Grant: <i>Objective: 120,000</i> • Number of Community Learning Networks in place: <i>Objective: 160 by December 2004</i> • Percentage of all Canada Student Loan applications processed following receipt of complete documentation: <i>Objective: 80% within 1 day 100% within 2 days</i>
University	Community College*														
\$25,000 or less = 19%	\$25,000 or less = 22%														
\$25,001 to \$50,000 = 21%	\$25,001 to \$50,000 = 28%														
\$50,001 to \$75,000 = 23%	\$50,001 to \$75,000 = 29%														
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\$100,000 + = 38%	\$100,000 + = 23%														
Overall = 22%	Overall = 27%														

STRATEGIC OUTCOME*Safe, healthy, fair, stable, cooperative and productive workplaces*

Strategic Outcome Indicators:	Program Indicators:
<p>► Hours lost as a proportion of the usual weekly hours of all full-time employees (in percentage) = 3.6% (2003).</p> <p>► Injury incidence rates per 100 workers, all federal jurisdiction employees = 5.79 (2002).</p> <p>► Percentage of total working days lost due to work stoppages = 0.05% (2003).</p>	<p>Labour</p> <ul style="list-style-type: none"> • Percentage of collective bargaining disputes settled under Part I (Industrial Relations) of the <i>Canada Labour Code</i> without work stoppage: <i>Objective: 90%</i> • Percentage of Unjust Dismissal Complaints settled by inspectors (Part III (Labour Standards) of the <i>Canada Labour Code</i>): <i>Objective: 75%</i> • Disabling Injury Incidence Rate (DIIR) measuring the change in the rate of time-loss injuries, illnesses and fatalities within the federal jurisdiction industries from year to year. <i>Objective: reduce the disabling injury incidence rate by 10% over five years in those high risk industries where we are targeting proactive interventions</i>

STRATEGIC OUTCOME*Enhanced community capacity to contribute to the reduction of homelessness*

Strategic Outcome Indicators:	Program Indicators:
<ul style="list-style-type: none"> ▶ Number of National Homelessness Initiative (NHI) funding partners (2003): 2058 partners. ▶ Percentage of NHI funding partners by Sectors (2003): <ul style="list-style-type: none"> • Non-profit: 50% • All levels of government (e.g. Federal/Agencies, Provincial/Territorial, Regional/Municipal): 27% • Private Sector: 9% • Others (such as Faith Communities, Unions, etc.): 14% ▶ Emergency Shelters in Canada (2003): 316 ▶ Transitional Housing in Canada (2003): 250 	<p>Homelessness</p> <ul style="list-style-type: none"> • 61 completed community plan assessments for 1999-2003. <i>Objective: 100%</i> • 61 completed community plan updates for 2003-2006. <i>Objective: 100%</i> • Percentage of investments directed toward the continuum of supports and services based on priorities established by the community. <i>Objective: At least 75% invested in community priorities</i> • Ratio of total NHI investment versus leveraged funding by type of partners for each province/territory for 1999-2003 and 2003-2006. <i>Objective: Ratio 1:5</i> • Increase in accessible sources of information/data on homelessness. <i>Objective: Evidence of uptake of data/information</i>

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

Strategic Outcome Indicators:	Program Indicators:
<ul style="list-style-type: none"> ▶ 2001-2002 client satisfaction survey results, by HRSDC program: <ul style="list-style-type: none"> • Insurance – 77% • Employment – 83% (Employment Benefits and Support Measures) • Learning – 71% (Canada Student Loans) • Labour Program – 69% (Occupational Safety and Health and Labour Standards) 	<p>Note: Modernizing Service for Canadians indicators to measure service delivery are being developed.</p>

Departmental Human Resources

In addition to the indicators listed in the above strategic outcomes, HRSDC will also report actual results for the following HRSDC workforce indicators:

- Visible Minority Representation percentage;
- Aboriginal Representation percentage;
- Persons with Disabilities Representation percentage;
- Women Representation percentage;
- Official Language Complaints – Service to the public; and
- Official Language Complaints – Language of work.

Sustainable Development

As articulated in the 2004 Speech from the Throne, Sustainable Development remains a priority for the Government of Canada. Departmental sustainable development strategies are updated every three years, and in February 2004 the Ministers for HRSDC, Social Development, and Labour and Homelessness jointly tabled a third-generation Sustainable Development Strategy in Parliament. Due to the reorganization of HRDC, separate departmental strategies will be developed for tabling in 2006.

HRSDC is moving ahead to achieve the commitments outlined in the HRDC sustainable development strategies, while reviewing it in the context of HRSDC's mandate. Targets scheduled to be completed this year include:

- Development of a vision for Sustainable Development in HRSDC;
- Development of a tool for implementing sustainable development in new projects; and
- Implementing Internet service for transmission of medical certificates or medical information required for compassionate care benefits and sickness benefits.

For detailed information on the current Sustainable Development Strategy, including specific goals and targets, a copy of the Strategy may be accessed at the following departmental website: <http://www.hrsdc.gc.ca/en/cs/fas/as/sds/sdd.shtml>.

Special Responsibilities of the Minister

STRATEGIC OUTCOME

Sustainable urban development and infrastructure renewal in the Toronto Waterfront area

Business Lines	Priorities
Toronto Waterfront Revitalization Initiative	<ul style="list-style-type: none"> Funding development of parks and green spaces (e.g. planning development of Commissioners Park and Lake Ontario Park) Funding development of urban infrastructure (e.g. construction of Toronto Transit Commission transit improvements and development of precinct plans for the West Don Lands) Funding other projects to revitalize and rebuild Toronto's waterfront with a view to creating and enhancing public spaces (e.g. projects related to culture, sports and recreational facilities)

Planned Spending

Funding (millions of dollars)	Authority (Restated) ^a	Planned Spending		
	2003-2004	2004-2005	2005-2006	2006-2007
Non-Statutory Grants & Contributions ^b	0.0	115.7	110.9	110.9
Total	0.0	115.7	110.9	110.9
Full Time Equivalents	0	0	0	0

a Restated authority as a result of December 12, 2003 restructure of HRDC into SDC and HRSDC.

b In 2003-2004, \$6.2 million was spent by Transport Canada on behalf of HRSDC for this initiative. Resources for 2004-2005, 2005-2006 and 2006-2007 are also included under the strategic outcome *Seamless, integrated and multi-channel service delivery that ensures client satisfaction*.

FACT SHEET	
Toronto Waterfront Revitalization Initiative (TWRI) (2004-2005 Planned Spending: \$115.7M)	
Objectives	The purpose of the TWRI is to revitalize the Toronto Waterfront through investments in both traditional city-building infrastructure, such as local transportation and sewers, and more contemporary urban development, including tourism related facilities and the rebirth of underutilized post-industrial areas. It is expected that investments in these areas will result in both social and economic benefits for the Toronto region.
Expected Results and Outcomes	<p>The expected outcomes of the TWRI are:</p> <ul style="list-style-type: none"> a) Increased accessibility to: <ul style="list-style-type: none"> • Public transit; • Affordable housing; • Recreation and tourism; and • Commercial space. b) Revitalized urban infrastructure including: <ul style="list-style-type: none"> • New or improved recreation facilities; • Enhanced or expanded transportation system; • Enhanced or expanded water and sewage treatment; and • New or improved commercial and residential developments. c) Increased economic opportunities such as: <ul style="list-style-type: none"> • New employment opportunities; • Increased private sector investment; • Enhanced marketability of land; and • Increased tourism. d) Better environment management, for example: <ul style="list-style-type: none"> • Land reclamation; • Soil and general remediation; • Increased or enhanced parkland or green space; and • Increased or enhanced storm water management/flood protection.
Partners	<ul style="list-style-type: none"> • Toronto Waterfront Revitalization Corporation • Government of Ontario (Ministry of Public Infrastructure Renewal) • City of Toronto (Urban Development Services)
Milestones for Achievement:	
Renewal Date	N/A
Evaluation Performed	None to date
Evaluation Scheduled	The scope of the audit and evaluation work to be undertaken is subject to discussion and development as Audit and Evaluation develops its long-term plans.

ORGANIZATION

Strategic Outcomes and Business Lines

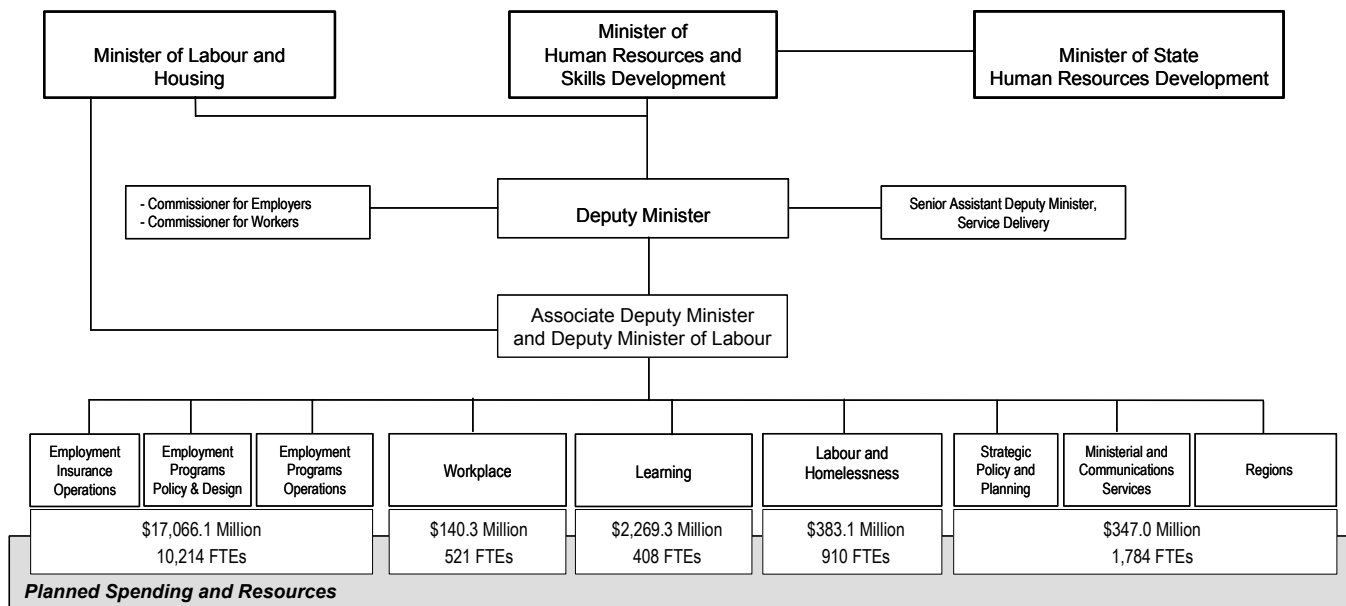
During 2004-2005 and beyond, HRSDC will focus on realizing its strategic outcomes by pursuing the most relevant and important initiatives, with a demonstrated focus on results. The department's efforts will make a difference in the lives of Canadians who can expect the high quality service that they deserve. Those efforts will be guided by HRSDC's commitment to effective and efficient use of fiscal and human resources.

The table below identifies the six strategic outcomes that HRSDC endeavours to provide for Canadians, and the links between business lines (i.e., Employment Insurance Benefits, Employment Programs, Workplace Skills, Learning, Labour, Homelessness, and Policy, Program and Service Delivery Support) and those strategic outcomes.

Strategic Outcomes and Business Lines 2004-2005 Planned Spending								
Business Lines		Strategic Outcomes						Total
		Efficient and effective income support and labour market transitions	Enhanced 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	
Employment Insurance Benefits	FTE's	7,502						7,502
	\$M	\$14,140.8						\$14,140.8
Employment Programs	FTE's	2,712						2,712
	\$M	\$2,925.3						\$2,925.3
Workplace Skills	FTE's		521					521
	\$M		\$140.3					\$140.3
Learning	FTE's			408				408
	\$M			\$2,269.3				\$2,269.3
Labour	FTE's				632			632
	\$M				\$187.5			\$187.5
Homelessness	FTE's					278		278
	\$M					\$195.6		\$195.6
Policy, Program and Service Delivery Support	FTE's						1,784	1,784
	\$M						\$347.0	\$347.0
Total	FTE's	10,214	521	408	632	278	1,784	13,837
	\$M	\$17,066.1	\$140.3	\$2,269.3	\$187.5	\$195.6	\$347.0	\$20,205.8
Other Costs								
EI Costs (Other Government Departments Administrative Costs and Doubtful Accounts)								\$709.9
Workers Compensation Recoveries								(\$73.3)
Total Other Costs								\$636.6
Total HRSDC								\$20,842.4

Accountability

ORGANIZATIONAL STRUCTURE



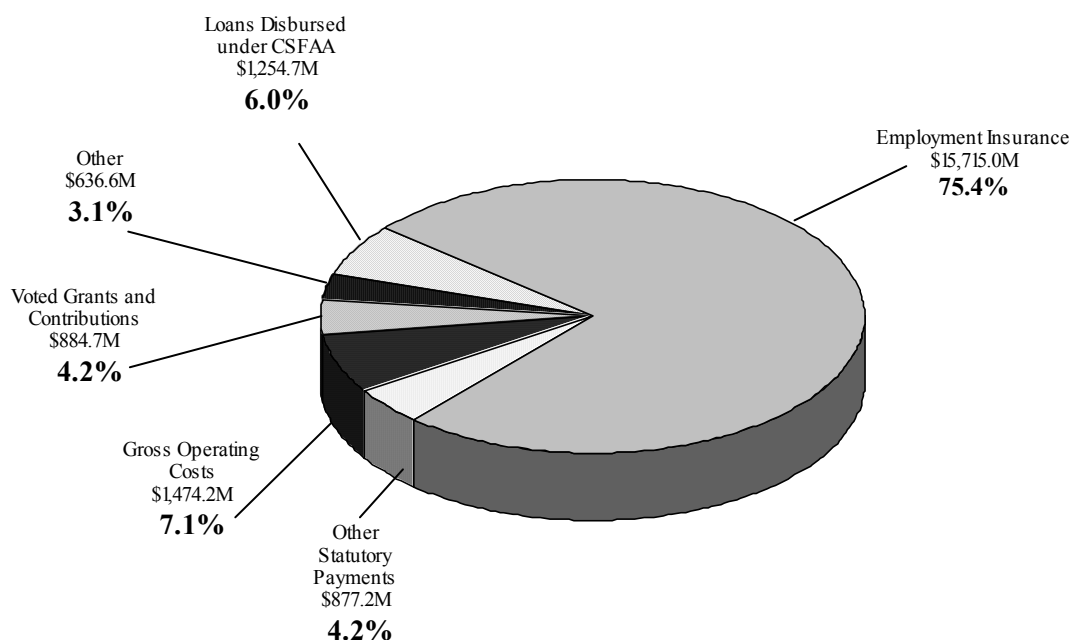
	(\$M)	FTEs
Total 2004-2005 Planned Spending and Resources	20,205.8	13,837
Other Costs:		
<i>EI Costs (OGD Administrative Costs and Doubtful Accounts)</i>	709.9	
<i>Workers Compensation Recoveries</i>	(73.3)	
TOTAL HRSDC	20,842.4	13,837

Departmental Planned Spending

2004-2005 Planned Expenditure Profile

HRSDC has expenditures of more than \$20 billion, of which \$17 billion or 85% are direct benefits to Canadians through Employment Insurance, Loans disbursed under the *Canada Student Financial Assistance Act* (CSFAA) and other statutory transfer payments.

Consolidated Total: \$20,842.4M



2004-2005 Planned Expenditure Profile

(in millions of dollars)

HRSDC's Total Planned Expenditures

Budgetary

Net Operating Costs	579.0	
Add Recoveries in relation to:		
Employment Insurance Account	812.6	
Workers Compensation	73.3	
Canada Pension Plan	9.3 ^a	
Sub-total	895.2	895.2
Gross Operating Costs		Sub-total 1,474.2 ^b
Voted Grants and Contributions		884.7
Total Planned Expenditures		2,358.9

Others

EI Administrative Costs (OGD)	620.2	
Estimated Doubtful Accounts	89.7	
Sub-total	709.9	709.9
Workers Compensation Recoveries		(73.3)
Total Others		636.6

Non-Budgetary

Loans disbursed under <i>Canada Student Financial Assistance Act</i> (CSFAA)	1,254.7 ^c	
Total Non-Budgetary		1,254.7

Statutory Transfer Payments

Grants and Contributions:		
Other Statutory Payments:		
Canada Student Loans	331.8	
Canada Education Savings Grant	405.0	
Canada Learning Bond	85.0	
Others	0.2	
Sub-total	822.0	822.0
Employment Insurance benefits		
Part I	13,527.8	
Part II	2,187.2	
Sub-total	15,715.0	15,715.0
Other Specified Purpose Accounts		55.2 ^d
Total Statutory Transfer Payments		16,592.2 ^c

Consolidated Total

20,842.4

- a The Canada Pension Plan (CPP) is under the portfolio of Social Development Canada (SDC) but HRSDC recovers costs for services related to the CPP program.
- b Total operating costs exclude shared corporate services costs (Financial and Administrative Services, Human Resources, Legal and Systems) that are provided by SDC.
- c These two amounts directly benefit Canadians.
- d Includes payments related to Government Annuities Account and Civil Service Insurance Fund.

Departmental Planned Spending

Business Lines (millions of dollars)	Authority (Restated) ^a	Planned Spending		
	2003-2004	2004-2005	2005-2006	2006-2007
Budgetary				
Employment Insurance Benefits	517.1	557.8	553.4	552.9
Employment Programs	773.7	832.4	809.8	802.3
Workplace Skills	58.1	75.6	95.6	95.7
Learning	937.3	1,000.3	1,143.9	1,188.1
Labour	180.8	186.8	183.5	188.1
Homelessness	159.5	195.6	132.8	-
Policy, Program and Service Delivery Support	374.5	332.4	328.5	329.3
Gross Budgetary	3,001.0	3,180.9	3,247.5	3,156.4
Respendable revenue	(884.6)	(895.2)	(892.6)	(897.7)
Net Budgetary	2,116.4	2,285.7	2,354.9	2,258.7
Non-Budgetary				
Loans disbursed under <i>Canada Student Financial Assistance Act</i>	1,374.1	1,254.7	1,130.2	892.0
Specified Purpose Accounts				
Employment Insurance	17,159.8 ^b	17,344.2	17,707.9	n/a ^c
Other Specified Purpose Accounts	58.4	55.2	52.0	n/a
Departmental Recoveries charged to the CPP	10.1	9.3	9.3	n/a
Departmental Employee Benefit Plan recoverable from EI Account and CPP	(96.3)	(106.7)	(106.0)	n/a
Total HRSDC	20,622.5	20,842.4	21,148.3	
Full Time Equivalents	13,910	13,837	13,691	12,961

a Restated authority as a result of December 12, 2003 restructure of HRDC into SDC and HRSDC.

b EI Benefits for 2003-2004 represent the Budget 2004 forecasts.

c Forecasted expenditures for EI Benefits are available only for the planning years 2004-2005 and 2005-2006.

Financial Highlights:

The department expects to spend \$20,842.4 million in 2004-2005. This represents an increase of \$219.9 million over the 2003-2004 restated authorities of \$20,622.5 million. The variance is mainly due to the following:

- An increase of \$67 million in statutory payments related to the introduction of the new Canada Learning Bond (\$85 million) and for the enhancement of the Canada Education Savings Grant (\$20 million) as announced in the Budget 2004, and the decrease in Canada Student Loans as a result of legislative changes that occurred during the year (\$38 million);
- A net increase of \$96 million in grants and contributions, mainly due to increases of \$116 million in support of the Toronto Waterfront Revitalization Initiative (transfer of responsibility from Transport Canada), \$35 million for the continuation of Phase II of the National Homelessness Initiative, \$23 million for Aboriginal programs, and a major decrease of \$85 million related to a 2003-2004 grant to the Canadian Council on Learning to promote and support evidence-based decision making in all areas of lifelong learning;

- An increase of \$184 million for the Employment Insurance Account. The increase in benefits is due to a 2.5% increase in average weekly benefits partially offset by a 1.4% decline in the number of beneficiaries; and
- A decrease of \$119 million due to the impact of loan reimbursements from borrowers on the loan portfolio under the *Canada Student Financial Assistance Act*.

For 2005-2006, the department planned spending is anticipated to be \$21,148.3 million, which represents an increase of \$305.9 million from the 2004-2005 planned spending. The major changes are as follows:

- An increase of \$119 million in statutory payments which is mainly the results of the Budget 2004 announcements for the Enhancement of the Canada Education Savings Grant (additional \$60 million), the Canada Student Loans Program (additional \$59 million);
- A decrease of \$63 million in grants and contributions which represents the reprofiling of contribution funds from 2003-2004 to 2004-2005 for the National Homelessness Initiative;
- A decrease of \$125 million due to the impact of loan reimbursements from borrowers on the loan portfolio under the *Canada Student Financial Assistance Act*; and
- An increase of \$364 million for the Employment Insurance Account. This growth in expenditures reflects the projected increase in the number of people eligible for benefits and increases in average benefits.

For 2006-2007, the net departmental planned spending excluding the Special Purpose Accounts is anticipated to be \$3,150.7 million which represents a decrease of \$334.4 million from the 2005-2006 net planned spending. The variance is mainly due to the following:

- An increase of \$22 million in statutory payments related to the Budget 2004 announcements for the Canada Learning Bond (additional \$15 million) and for the Canada Student Loans (additional \$7 million);
- A decrease of \$133 million in operating and grants and contributions for the National Homelessness Initiative as the Initiative has been renewed from 2003-2004 to 2005-2006 only; and
- A decrease of \$238 million due to the impact of loan reimbursements from borrowers on the loan portfolio under the *Canada Student Financial Assistance Act*.

ANNEXES

Annex 1: Division of Responsibilities of the Former Human Resources Development Canada

Annex 2: Human Resources and Skills Development 2004-2005 Corporate Risk Profile and Mitigating Strategies

Annex 3: Summary of Transfer Payments

Annex 4: Details on Transfer Payments Programs (Grants and Contributions)

Transfer Payments Fact Sheets:

Fact sheet #1: Youth Employment Strategy

Fact sheet #2: National Literacy Program

Fact sheet #3: National Homelessness Initiative

Fact sheet #4: Aboriginal Human Resources Development Strategy (AHRDS)

Fact sheet #5: Aboriginal Skills and Employment Partnerships (ASEP)

Fact sheet #6: Foreign Credential Recognition

Fact sheet #7: Sector Council Program

Fact sheet #8: Official Language Minority Communities Support Fund

Fact sheet #9: Older Workers Pilot Projects

Annex 5: Foundations (Conditional Grants)

- Frontier College
- The Peter Gzowski Foundation
- Canada Millennium Scholarship Foundation
- Canadian Council on Learning

Annex 6: Major Initiatives and/or Programs

Annex 7: Source of Respendable and Non-Respendable Revenue

Annex 8: Net Cost of Program(s) for the Estimates Year

Annex 9: Specified Purpose Accounts

- Employment Insurance Account
- Government Annuities Account
- Civil Service Insurance Fund

Annex 10: Employment Insurance Part II- 2004-2005 Expenditure Plan

Annex 11: Loans (Non Budgetary)

Annex 12: Consolidated Report on Canada Student Loans

Annex 13: Major Regulatory Initiatives

Annex 14: Horizontal Initiatives

- Aboriginal Human Resources Development Strategy
- Aboriginal Skills and Employment Partnership Program
- Youth Employment Strategy
- Labour Market Development Agreements
- Sector Council Program
- Foreign Credential Recognition
- Older Workers Pilot Projects Initiative
- Canada Student Loans Program
- National Literacy Program
- National Homelessness Initiative
- Service Canada
- Toronto Waterfront Revitalization Initiative

Annex 1: Division of Responsibilities of the Former Human Resources Development Canada

Following the governmental reorganization announced on December 12, 2003, Human Resources Development Canada (HRDC) was split into two new departments: Human Resources and Skills Development Canada (HRSDC) and Social Development Canada (SDC). The following table shows the division of responsibilities of the former HRDC into the new departments.

HRDC Responsibilities	HRSDC Responsibilities	SDC Responsibilities
Insurance Branch <ul style="list-style-type: none"> • Policy Development • Program Design • Claims Processing • Appeals • Investigation and Control • Operational and Program Maintenance and Improvement • Social Insurance Number/Social Insurance Registration 	Employment Insurance Operations <ul style="list-style-type: none"> • Claims Processing • Appeals • Investigation and Control • Operational and Program Maintenance and Improvement 	Modernizing Services for Canadians <ul style="list-style-type: none"> • Social Insurance Number/Social Insurance Registration
Employment Programs Branch <ul style="list-style-type: none"> • Policy Development • Program Design • Foreign Worker Program • Labour Exchange • Labour Market Information • Employment Benefits and Support Measures • Labour Market Development Agreements • Aboriginal Human Resources Development Strategy • Aboriginal Skills and Employment Partnerships • Youth Employment Strategy • Labour Market Adjustments • Opportunities Fund 	Employment Programs Policy and Design <ul style="list-style-type: none"> • Employment Insurance Policy and Employment Programs Policy Development • Program Design • Aboriginal Skills and Employment Partnerships Workplace <ul style="list-style-type: none"> • Foreign Worker Program • Labour Exchange • Labour Market Information Employment Programs Operations <ul style="list-style-type: none"> • Employment Benefits and Support Measures • Labour Market Development Agreements • Aboriginal Human Resources Development Strategy • Youth Employment Strategy • Labour Market Adjustments and Official Language Minority Communities 	Income Security Programs <ul style="list-style-type: none"> • Opportunities Fund

HRDC Responsibilities	HRSDC Responsibilities	SDC Responsibilities
Human Investment Programs <ul style="list-style-type: none"> • Human Resources Partnerships • Student Financial Assistance • Canada Education Savings Grant • National Literacy Secretariat • Office of Learning Technologies • Office for Disabilities Issues • Social Development • Voluntary Sector Initiative • Official Language Minority Communities • Learning Initiatives Program • International Academic Mobility Program 	Workplace <ul style="list-style-type: none"> • Human Resources Partnerships Learning <ul style="list-style-type: none"> • Student Financial Assistance • Canada Education Savings Grant • National Literacy Secretariat • Office of Learning Technologies • Learning Initiatives Program • International Academic Mobility Program 	Income Security Programs <ul style="list-style-type: none"> • Office for Disabilities Issues • Voluntary Sector Initiative • Social Development
Income Security Programs <ul style="list-style-type: none"> • Old Age Security Program • Canada Pension Plan 		Income Security Programs <ul style="list-style-type: none"> • Old Age Security Program • Canada Pension Plan
Labour Program <ul style="list-style-type: none"> • Federal Mediation and Conciliation Service • Labour Operations • Strategic Policy and International Labour Affairs • Workplace Information • Aboriginal Labour Affairs 	Labour and Homelessness <ul style="list-style-type: none"> • Federal Mediation and Conciliation Service • National Labour Operations • Intergovernmental Affairs • International Labour Affairs • Workplace Information • Aboriginal Labour Affairs 	
Homelessness <ul style="list-style-type: none"> • National Secretariat on Homelessness 	Labour and Homelessness <ul style="list-style-type: none"> • National Secretariat on Homelessness 	
Strategic Policy <ul style="list-style-type: none"> • Social Policy • Labour Market Policy • Learning Policy • Intergovernmental Relations • Strategy and Coordination • Knowledge Directorate 	Strategic Policy and Planning <ul style="list-style-type: none"> • Labour Market Policy • Learning Policy • Intergovernmental Relations • Strategy and Coordination • Policy Research and Co-ordination (formerly Knowledge Directorate) 	Strategic Direction <ul style="list-style-type: none"> • Social Policy • Intergovernmental Relations • Strategy and Coordination • Knowledge Directorate

HRDC Responsibilities	HRSDC Responsibilities	SDC Responsibilities
Corporate Affairs and Planning <ul style="list-style-type: none"> • Corporate Planning • Performance Measurement and Accountability • Internal Audit • Evaluation • Briefing, Cabinet and Parliamentary Affairs • Ministerial Correspondence • Executive Committees 	Strategic Policy and Planning <ul style="list-style-type: none"> • Corporate Planning • Performance Measurement and Accountability • Internal Audit • Evaluation Ministerial Affairs and Communication <ul style="list-style-type: none"> • Briefing, Cabinet and Parliamentary Affairs • Ministerial Correspondence • Executive Committees 	Strategic Direction <ul style="list-style-type: none"> • Corporate Planning • Performance Measurement and Accountability • Internal Audit • Evaluation Public and Ministerial Affairs <ul style="list-style-type: none"> • Briefing, Cabinet and Parliamentary Affairs • Ministerial Correspondence • Executive Committees
Communications <ul style="list-style-type: none"> • Communications 	Ministerial Affairs and Communication <ul style="list-style-type: none"> • Communications 	Public and Ministerial Affairs <ul style="list-style-type: none"> • Communications
Human Resources		Human Resources^a
Financial and Administrative Services		Financial and Administrative Services^a
Systems		Systems^a
Modernizing Service for Canadians <ul style="list-style-type: none"> • Modernizing Service for Canadians 		Modernizing Service for Canadians <ul style="list-style-type: none"> • Modernizing Service for Canadians
Service Delivery <ul style="list-style-type: none"> • Enterprise-wide Service Delivery (Internet and Telephone) • Service and Benefits In Person Delivery • Regional and local program and service delivery, including Human Resources Centres of Canada 	Service and Benefits Delivery <ul style="list-style-type: none"> • Service and Benefits In Person Delivery^b • Regional and local program and service delivery, including Human Resources Centres of Canada^b 	Modernizing Service for Canadians <ul style="list-style-type: none"> • Enterprise-wide Service Delivery (Internet and Telephone)^c

^a These services reside in Social Development Canada, which provides services to both departments.

^b These responsibilities have been assigned to Human Resources and Skills Development Canada, which provides services on behalf of both departments.

^c This responsibility has been assigned to Social Development Canada, which provides services on behalf of both departments.

Annex 2: Human Resources Skills Development 2004-2005 Corporate Risk Profile and Mitigating Strategies

Key Corporate Risk Areas	Mitigation Strategies
<p>Providing service and benefit delivery support to Canadians, and support to the Government and Ministers during a process of organizational restructuring and internal re-organization</p> <p>Risk Context</p> <ul style="list-style-type: none"> • Service disruptions while pursuing business transformation continue to be at risk with the added challenge of simultaneously undergoing organizational change. • Ongoing resource constraints and potential new restraint measures resulting from Expenditure Review. • Potential disruptions due to a PSAC labour dispute. <p>Challenges</p> <ul style="list-style-type: none"> • Maintaining effective, efficient and consistent delivery of benefits and entitlements to clients within an environment of service transformation and organizational change. • Client expectations for modern systems and services and high quality services are increasing. • Building effective partnerships with other departments, other level of governments, institutions, employers and community organizations observing principles of accountability, openness and transparency. • Adjusting to the changing environment and concurrently addressing competing priorities. 	<p>To maintain the provision of service and benefit delivery to Canadians and support the Government and the Ministers:</p> <ul style="list-style-type: none"> • Provide uninterrupted service and benefits delivery; • Implement service transformation strategy; • Develop with Social Development Canada and the Canada Revenue Agency options on service delivery and service transformation; • Finalize plans to incorporate more automation into Employment Insurance delivery in line with the Service Vision; • Provide timely and meaningful performance information to Parliamentarians on Employment Insurance; • Improve accuracy of Employment insurance payments; • Put in place a new organizational structure; • Set up committee structure to ensure effective decision-making by senior executives and mechanisms to address issues of joint interest with Social Development Canada; • Development of strategic outcomes and supporting detailed program activity architecture; • Develop the departmental mandate; • Identification of priorities in support of the Management Accountability Framework; • Launching work on new departmental legislation; • Implement internal communications strategy to support change management; and • Develop a Human Resources Plan.
<p>Demonstrating accountability for results, stewardship of resources and transparency of decision-making in light of rising public concern and skepticism directed toward governments and public servants over the use and management of taxpayer's money</p> <p>Risk context</p> <ul style="list-style-type: none"> • Building and maintaining public support continues to be at risk. • The department is responsible for the administration and delivery of billions of dollars of public funds. 	<p>To meet public expectations for greater accountability and integrity:</p> <ul style="list-style-type: none"> • Continue implementation of Specialization and Concentration initiative; • Develop recommendations following a comprehensive third party review of grants and contributions programs; • Develop risk-based audit and evaluation plans; • Implement a strategy to upgrade the financial skills of managers and staff; • Reinforce with staff the importance of public sector values and ethics;

Key Corporate Risk Areas	Mitigation Strategies
<ul style="list-style-type: none"> • Integrity issues have impacted the federal government on several fronts including government finances, service delivery and privacy. The risk has possibly increased as a result of government-wide issues. • Increased public expectations for service quality and accountability for results. <p>Challenges</p> <ul style="list-style-type: none"> • Meeting citizens' expectations around modern systems and services, maintaining integrity and financial stewardship, and the handling and protection of personal information. • Strengthening the department's program and financial management capacity. • Ensuring employees understand and respect public service values and ethics. 	<ul style="list-style-type: none"> • Improve integrity of services and benefits delivery; • Improve quality of reporting to Parliament and to the public; and • Re-examine programs, policies and services.
<p>Providing policy and program leadership within the context of fiscal restraint, internal reallocation and expenditure review across government</p> <p>Risk Context</p> <ul style="list-style-type: none"> • Creation of a new department. • An increasingly complex environment, including fiscal restraint • Loss of corporate knowledge and memory with the splitting of resources between HRSDC and SDC. • Reliance on SDC for shared corporate services. <p>Challenges</p> <ul style="list-style-type: none"> • Stabilizing the operations of new organization through a transition period while advancing the department's policy agenda and transforming programs/initiatives. • Aligning objectives, resources and accountabilities to the department's new mandate and priorities. • Mobilizing, supporting, training and developing employees through business transformation. 	<p>To provide the leadership required to ensure fiscal responsibility and corporate knowledge:</p> <ul style="list-style-type: none"> • Develop human capital framework; • Improve the effectiveness of Active Employment Measures; • Work with provinces and territories to develop a shared labour market vision in light of the current and emerging labour market challenges; • Implement and monitor a two-year pilot project to increase Employment Insurance benefit entitlement in regions of high unemployment to address seasonal workers needs; • Complete implementation of Individual Skills Enhancement and a horizontal reporting structure for the 13 other government department partners delivery YES programs; • Work with stakeholders on proposed new policy directions for a renewed Aboriginal Human Resources Development Strategy for April 1, 2005; • Implement horizontal approach to Aboriginal Early Childhood Development program delivery; • Negotiate and enter into contribution agreements with the five ASEP project sponsors that have received approval; • Implement policies to ensure continuity of OLMC Support Fund; • Lead an interdepartmental and community engagement process to develop models for horizontal program delivery for longer-term support to OLMC;

Key Corporate Risk Areas	Mitigation Strategies
	<ul style="list-style-type: none"> • Develop workplace skills strategy policy framework • Work with sector councils, unions and learning system; • Promote apprenticeship and skilled trades training with employers, unions and potential participants; • Work on pan-Canadian priorities to develop fair and equitable assessment and recognition tools and process to facilitate the entry of foreign-trained individuals into Canadian labour market; • Implement enhancements to CSLP; • Enhance the Canada Savings Grant and implement the Canada Learning Bond; • Enhance support for adult learners; • Review Part III of <i>Canada Labour Code</i>; • Develop Workplace Equity Integration Strategy; • Develop Aboriginal Labour Strategy; • Develop International Labour Affairs Strategy; • Develop policy options for a modernized Government Employees' Compensation system; • Strengthen community capacity to address gaps in the homelessness supports; • Foster collaboration on homelessness; and • Increase knowledge and understanding of homelessness issues.

Annex 3: Summary of Transfer Payments

Summary of Transfer Payments by Business Line				
(millions of dollars)	Authority (Restated) ^a	Planned Spending		
	2003-2004	2004-2005	2005-2006	2006-2007
Employment Insurance Benefits				
(S) Civil Service Insurance actuarial liability adjustment	0.2	0.2	0.2	0.2
Employment Programs				
Grants and Contributions	507.8	535.1	517.4	520.2
Workplace Skills				
Grants and Contributions	15.1	30.9	50.6	50.5
Learning				
(S) Canadian Learning Bond	0.0	85.0	85.0	100.0
(S) Canada Education Savings Grant	394.1	405.0	468.0	470.0
(S) Canada Study Grants	66.8	79.8	126.4	131.2
(S) Labour Adjustment Benefits	0.0	0.0	0.0	0.0
(S) Direct financing arrangement under the <i>Canada Student Financial Assistance Act</i>	266.3	157.2	179.3	199.9
(S) Interest payments under the <i>Canada Student Loans Act</i>	0.2	0.5	0.2	0.1
(S) Liabilities under the <i>Canada Student Loans Act</i>	(28.1)	18.9	10.4	5.3
(S) Interest payments and liabilities under the <i>Canada Student Financial Assistance Act</i>	105.2	75.4	61.0	49.8
Grants and Contributions	36.7	29.8	30.1	30.1
	841.2	851.6	960.4	986.4
Labour				
Grants, Contributions and Statutory Payments	3.3	3.9	3.9	3.9
Homelessness				
Grants and Contributions	137.3	169.1	106.3	0.0
Policy, Programs and Service Delivery Support				
Grants and Contributions	88.3	115.9	111.2	111.2
Total Transfer Payments	1,593.2	1,706.7	1,750.0	1,672.4

a Restated authority as a result of December 12, 2003 restructure of HRDC into SDC and HRSDC.

Note: Grants and Contributions exclude Employment Benefits and Support Measures authorized under Part II of the *Employment Insurance Act*.

Annex 4: Details on Transfer Payments Programs

Human Resources and Skills Development Canada (HRSDC) has a substantial number of transfer payment programs. These support individuals, communities, labour, other orders 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 transfer 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 transfer payments.

Consistent with this policy, descriptive material on each program funded from the Consolidated Revenue Fund, including stated objectives, expected results and outcomes, and milestones for achievement has been developed. The following table provides a list of the active transfer payments programs. A fact sheet for each program over \$5 million is also provided.

Planned spending figures reflect estimated program costs and exclude operating resources necessary to deliver the program.

Non-Statutory Transfer Payments by Business Line (2004-2005 Planned Spending: \$884.7 million)		
Associated Programs (Terms and Conditions)		
GRANTS	Planned Spending	For more details, see
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	\$1M	Fact Sheet #1
Workplace Skills Named Grants to the Organization For Economic Co-Operation and Development	\$0.3M	
Learning Grants to voluntary sectors, professional organizations, universities and post-secondary institutions and to provincial and territorial governments for literacy – National Literacy Program	\$28.4M	Fact Sheet #2
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	\$1.2M	Fact Sheet #3
Labour Program Canadian Joint Fire Prevention Publicity Committee (\$7,000) Fire Prevention Canada (\$19,000) To support activities which contribute to occupational safety and health program objectives (\$15,000) To support Standards-writing associations (\$12,000)	\$0.0M \$0.0M \$0.0M \$0.0M	

CONTRIBUTIONS	Planned Spending	For more details, see
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 <ul style="list-style-type: none"> – Youth Employment Strategy – Aboriginal Human Resources Development Strategy ^a – Aboriginal Skills and Employment Partnerships (ASEP) and Voisey's Bay – Older Workers Pilot Projects 	\$526.1M	Fact Sheet #1 Fact Sheet #4 Fact Sheet #5 Fact Sheet #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 <ul style="list-style-type: none"> – Foreign Credential Recognition^b – Sector Council Program 	\$25.6M	Fact Sheet #6 Fact Sheet #7
Learning 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 Contributions to voluntary sectors, professional organizations, universities and post-secondary institutions and to provincial and territorial governments for literacy <ul style="list-style-type: none"> – Official Languages Plan ^c 	\$0.5M \$0.9M	Fact Sheet #2
Labour Program Labour-Management Partnerships Program Labour Commission ^d	\$1.6M \$2.2M	
Homelessness 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 homelessness across Canada and carry out research on homelessness to help communities better understand and more effectively address homelessness issues	\$167.9M	Fact Sheet #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	\$0.2M	

<i>CONTRIBUTIONS</i> (Continued)	Planned Spending	For more details, see
New Initiative announced in Budget 2004 – Implementing a new Workplace Skills Strategy (Workplace Skills)	\$5M	
Other New Initiatives – Official Language Minority Communities Support (Employment Programs) – Toronto Waterfront Revitalization Initiative (Policy Program and Service Delivery Support)	\$8M \$115.7M	Fact Sheet #8 See page 42

- a Resources announced in Budget 2004 for “Aboriginal Human Resources Development Strategy” are included in Fact Sheet #4 (\$22.5M).
- b Resources announced in Budget 2003 for “Foreign Credential Recognition” are included in Fact Sheet #6 (\$7.7M).
- c Resources announced in Budget 2003 for “Official Languages Plan” are included in Fact sheet #2 (\$0.9M).
- d These grants and contributions have been approved by the Treasury Board and will be submitted for parliamentary approval during the first Supplementary Estimates of 2004-2005:
 - Grants to international and domestic organizations for technical assistance and international cooperation on labour issues (\$0.9M)
 - Grants to international labour institutions for addressing the labour dimension of globalization (\$1.0M)
 - Contributions to Canadian business, labour and not-for-profit organizations for social dialogue and Canadian-based cooperative activities related to Canada's international labour initiatives (\$0.3M)

FACT SHEET #1		
Youth Employment Strategy (2004-2005 Planned Spending: \$244.7M)		
Objectives	The objective of the Strategy will be to assist youth in enhancing their employability skills, while increasing the number of skilled young Canadians in the workforce.	
Expected Results and Outcomes	The common key results commitments for all initiatives receiving funding under the Youth Employment Strategy (YES) over the period 2003-2008 are: <ul style="list-style-type: none">• Participants will gain enhanced employability skills from work experience or tailored interventions; and• A portion of youth participants will return to school to further their education/skills development and/or become employed or self-employed.	
Partners	YES programs are delivered through the collective efforts of fourteen federal departments and agencies with HRSDC in the lead role: Agriculture and Agri-Food Canada; Canadian Food Inspection Agency; Canadian Heritage; Canadian International Development Agency; Canadian Mortgage and Housing Corporation; Department of Fisheries and Oceans; Department of Foreign Affairs & International Trade; Environment Canada; Indian and Northern Affairs Canada; Industry Canada; National Research Council Canada; Natural Resources Canada; and Parks Canada.	
Milestones for Achievement:		
Renewal Date	March 2008	
Evaluation Performed (on previous programs)	1997	Summer Career Placements Summative Evaluation
	1998-1999	Youth Service Canada Summative Evaluation Youth Employment Strategy: A Formative Evaluation of Youth Internship Canada and Other HRDC Youth Initiatives Interdepartmental Evaluation of the YES
	2000-2001	A Synthesis Report: <ul style="list-style-type: none">– Youth Service Canada Evaluation (Longitudinal Study);– Summative Evaluation of HRDC's Youth Internship Programs under the Youth Employment Strategy; and– YES Interdepartmental Evaluation Phase I.
	2001-2002	A Synthesis Report: <ul style="list-style-type: none">– Youth Internship Canada Program Evaluation Phases II and III; and– YES Interdepartmental Evaluation Phase II (consolidates YES with other federal youth programs).
	2003-2004	Detailed design of Formative Interdepartmental evaluation of YES
Evaluation Scheduled	2004-2005	Implementation of Formative YES Evaluation
	2007-2008	Interdepartmental Summative Evaluation

FACT SHEET #2	
National Literacy Program (2004-2005 Planned Spending: \$29.3M)^a	
Objectives	<ul style="list-style-type: none"> • To increase literacy opportunities and take-up, so that people improve their literacy skills. • To work towards making Canada's social, economic and political life more accessible to those with weak literacy skills.
Planned Results	<ul style="list-style-type: none"> • Increased public awareness and understanding of literacy issues • Improved information sharing and co-ordination • Increased evidence base and gap identification • Enhanced capacity of Secretariat partners to address literacy issues • The integration of literacy and plain language considerations into related policy and institutional life • More literacy opportunities for Canadians with low literacy skills
Partnerships	<ul style="list-style-type: none"> • Provinces and territories, non-governmental organizations, business, labour, voluntary sector, other government departments
Milestones for Achievement:	
Renewal Date	March 31, 2005
Develop Evaluation Framework	To be completed by September, 2004
Evaluation Performed	Evaluation Report completed January 2003
Evaluation Scheduled	Formative Evaluation in 2005-2006; Summative Evaluation in 2007-2008

a Includes planned spending announced in Budget 2003 for "Official Languages Plan" (\$0.9M).

FACT SHEET #3

National Homelessness Initiative (NHI)
(2004-2005 Planned Spending: \$169.1M)

Objectives	<ul style="list-style-type: none"> • To develop a comprehensive continuum of supports to help homeless Canadians move out of the cycle of homelessness and prevent those at-risk from falling into homelessness. This will be done by providing communities with the tools to develop a range of interventions to: stabilize the living arrangements of homeless individuals and families – encouraging self-sufficiency where possible; and prevent those at-risk from falling into homelessness. • To ensure sustainable capacity of communities to address homelessness by enhancing community leadership and broadening ownership – by the public, non-profit and private sectors – on the issue of homelessness in Canada.
Planned Results	<p>By March 31, 2006, the NHI aims to achieve the following outcomes:</p> <ul style="list-style-type: none"> • Enhanced supports and services available to meet the needs of homeless individuals and families and those at-risk of homelessness by facilitating integrated community responses to: help improve their living conditions; and help them access and maintain secure accommodation. • Increased knowledge and understanding of homelessness at the local, regional and national levels through: data collection; research; the review and assessment of the effectiveness of interventions; and support for the dissemination and sharing of this information. • Broader engagement of partners to address homelessness by strengthening partnerships and collaboration with: other federal departments; all orders of government; and the private and not-for-profit sectors.
Partnerships	<ul style="list-style-type: none"> • The complex nature of homelessness necessitates the involvement of a range of partners: no one player can address the issue alone. • Partnerships across government and the private and not for-profit sectors at the local, regional and national levels are essential to responding to homelessness and helping communities sustain their efforts. • Partnerships across the various sectors can: increase community access to resources, programs and funding; diversify the resource base available to communities; and create stronger linkages among existing programs for more sustainable solutions.
Milestones for Achievement:	
Renewal Date	March 31, 2006
Evaluation Performed	Formative Evaluation of the National Homelessness Initiative completed March 2003
Evaluation Scheduled	Summative Evaluation of the National Homelessness Initiative (for the period 2003-2006) scheduled for March 2006

FACT SHEET #4 Aboriginal Human Resources Development Strategy (AHRDS) (2004-2005 Planned Spending: \$243.2M)^a	
Objectives	<p>To support Aboriginal organizations to develop and implement labour market, youth and child care programs that are designed to address the local and regional needs of Aboriginal people. This programming will:</p> <ul style="list-style-type: none"> • assist Aboriginal individuals to prepare for, obtain and maintain employment, thereby resulting in savings to income support programs; • assist Aboriginal youth (a person normally from 15 to 30 years of age) in preparing for, obtaining and maintaining employment and in making a successful transition into the labour market, thereby resulting in increased employment; and • increase the supply of quality child care services in First Nations and Inuit communities, thereby raising the availability of distinct and diverse services in these communities towards a level comparable to that of the general population.
Expected Results and Outcomes^b	Assist 58,000 Aboriginal clients, of whom 20,000 are expected to find and keep work or become self-employed, and approximately 7,000 will return to school. Approximately, 7,500 child care spaces will continue to be supported and occupied.
Partners	Under the AHRDS, HRSDC has signed 79 Aboriginal Human Resources Development Agreements (AHRDA) with Aboriginal organizations.
Milestones for Achievement:	
Renewal Date	April 1, 2005
Evaluation Performed	Phase I Review of the AHRDS is due to be released in the Winter of 2005. This Review examines the Aboriginal Human Resources Development Agreements in year four of their five year mandate (1999-2004). The scope of the Review covers AHRDS planning activities, partnerships, horizontal management, and capacity building.
Evaluation Scheduled	HRSDC, working closely with its partners, plans to carry out further review and evaluation of the Aboriginal Human Resources Development Agreements in the future, with the objective of developing a more comprehensive perspective on results achieved and lessons learned. Work on Phase II of the review is planned to begin in the fall of 2004.

a Resources of \$22.5M announced in Budget 2004 for "Aboriginal Human Resources Development Strategy" are included in figure above.

b These results and outcomes are based on total program funding through the Consolidated Revenue Fund (CRF) and EI Part II. Specific results derived from the CRF funding only are unavailable.

FACT SHEET #5

**Aboriginal Skills and Employment Partnerships (ASEP)
and Voisey's Bay
(2004-2005 Planned Spending: \$30.5M)**

Objectives	<ul style="list-style-type: none"> • The overall objective of the ASEP initiative is sustainable employment for Aboriginal people leading to lasting benefits for Aboriginal communities, families and individuals. • The initiative aims to promote maximum employment for Aboriginal people on major economic developments through a collaborative partnership approach. • The Voisey's Bay initiative will provide Aboriginal people with the skills needed to take advantage of employment opportunities at the mine as well as opportunities related to any spin-off activities.
Expected Results and Outcomes	<ul style="list-style-type: none"> • Increased skills level in the Aboriginal workforce • Increased direct and indirect employment for Aboriginals across Canada • Decreased Aboriginal unemployment and dependency on social assistance • Improved education levels (i.e. literacy, numeracy, computer skills, post secondary certification) • Increased Aboriginal business opportunities • A more diversified workforce within communities
Partners	<p>As a pilot for ASEP, HRSDC has helped develop a partnership between the Voisey's Bay Nickel Company, the Innu Nation, the Labrador Inuit Association, the Labrador Metis Nation and the Province of Newfoundland and Labrador for the implementation of programs and services to prepare Aboriginal people for long term jobs associated with the Voisey's Bay project. These groups have established a partnership entitled the Joint Voisey's Bay Employment and Training Authority (JETA). Each of the ASEP projects will involve several partners including the private sector, Aboriginal Organizations and the Province or Territory.</p>
Milestones for Achievement:	
Renewal Date	Currently not applicable
Evaluation Performed	None to date
Evaluation Scheduled	<p>Each ASEP project will have an evaluation framework, clearly outlining to all partners how HRSDC will evaluate the project; which data needs to be collected and the timeline for reporting on the data.</p> <p>The evaluation methodology will consist of environmental scans of communities and collection of baseline data before ASEP projects start, on-going review of ASEP monitoring data, surveys of ASEP clients, project and community case studies, informant interviews and focus groups.</p> <p>Annual interim reports will be completed, starting in year 2005-2006. The final evaluation report will be completed in 2008.</p> <p>Project and community case studies at the end of the 2nd and 4th year of the program will be completed, with a formative evaluation scheduled in the program's 2nd year and the summative evaluation in the final year.</p> <p>The evaluation process for Voisey's Bay has begun with JETA. A Memorandum of Understanding between HRSDC and JETA has been signed, outlining the evaluation framework. HRSDC entered into a contribution agreement with JETA in 2003 to deliver programming to assist the Aboriginal people of Labrador to obtain long term employment at the Voisey's Mine/Mill site when it is operational in 2006.</p>

FACT SHEET #6	
Foreign Credential Recognition (2004-2005 Planned Spending: \$7.7M)	
Objectives	<p>The ultimate goal of the Foreign Credential Recognition Program is to enhance labour market outcomes in targeted occupations and sectors of foreign trained individuals.</p> <p>The Program will focus on working towards the achievement of two broad, long-range objectives:</p> <ul style="list-style-type: none"> • Reduced barriers to entry into the labour market; and • Improved ability of sectors/employers to assess, recognize and recruit foreign-trained individuals.
Planned Results	<p>The Foreign Credential Recognition Program will continue to build on current partnerships with representatives in regulated occupations and Sector Councils representing non-regulated occupations toward the achievement of the following objective in the short-term:</p> <ul style="list-style-type: none"> • Increased consensus and commitment on issues and potential solutions related to foreign credential recognition impacting on the labour market.
Partnerships	<ul style="list-style-type: none"> • Work bilaterally with interested provinces and territories to improve foreign credential supports (regulated and non-regulated professions) and work multi-laterally through F/P/T fora such as the Forum of Labour Market Ministers to develop systemic and consistent FCR processes (regulated). • Work with other government departments at the federal level to co-ordinate efforts with regard to foreign credential recognition. • Work in partnership with sector councils, regulatory bodies, professional associations and other organizations to advance the foreign credential recognition process.
Milestones for Achievement:	
Renewal Date	March 2009
Evaluation Performed	No formal evaluation as of this date.
Evaluation Scheduled	Summative Evaluation of Program in 2006-2007.

FACT SHEET #7

**Sector Council Program
(2004-2005 Planned Spending: \$17.9M)**

Objectives	<p>The ultimate goal of Sector Council Program is two-pronged; the Program will continue build on current partnerships and establish new relationships towards:</p> <ul style="list-style-type: none"> • Ensuring that Canadians have access to, and can obtain the skills and knowledge required to participate in an ever-changing, skills-oriented labour market; and • Developing/fostering an efficient and effective functioning labour market in targeted sectors of the Canadian economy. <p>The Program remains focused on working towards the achievement of four broad, long-range objectives:</p> <ul style="list-style-type: none"> • Increased industry learning and skills development; • More informed and responsive learning system to industry needs; • Enhanced ability of industry to recruit, retain and address human resources issues; and • Reduced barriers to labour mobility.
Planned Results	<p>The Sector Council Program will continue to build on current partnerships with Sector Councils toward the achievement of the following objectives in the short-term:</p> <ul style="list-style-type: none"> • Enhanced collaboration, action and investment by industry; • Increased consensus and understanding of skills, occupational needs and labour market issues; • Increased availability and use of products and services to help industry address their human resources issues; and • Increased availability of products and mechanisms to facilitate labour market entry and career progression.
Partnerships	<p>The Sector Council Program achieves results through sector councils (comprised of representatives from business, labour, education, government and other professional groups).</p>
Milestones for Achievement:	
Renewal Date	March 2007
Evaluation Performed	No formal evaluation as of this date.
Evaluation Scheduled	<p>The formative evaluation of the Sector Council Program is commencing and is expected to be completed by December 2006. Interim reports are anticipated August 2005 and March 2006.</p> <p>Summative Evaluation of Sector Partnerships in 2006-2007.</p>

FACT SHEET #8 Official Language Minority Communities Support Fund (2004-2005 Planned Spending: \$8.0M)	
Objectives	<ul style="list-style-type: none"> • The Support Fund for Official Language Minority Communities is delivered under the authority of Section 6 of the <i>Department of Human Resources Development Act</i>, which provides the Minister with authority relating to the development of Canada's human resources to enhance employment, encourage equality and promote social inclusion. • The objective of the Support Fund is to ensure continuity of activities and funding for the organizations that foster the development of human resources, economic growth, and job creation and retention in official language minority communities.
Expected Results and Outcomes	<p><u>Short Term</u></p> <ul style="list-style-type: none"> • Continued viability of the infrastructures and networks as mechanisms for government supporting official language minority communities (OLMCs). • Improved knowledge of official language minority communities from community profiles; the information will be used to guide funding decisions, benchmarking and assessing progress and future evaluation. • Increased official language minority community capacity, at the organization and network levels, to produce community development plans and projects. • Through networking, promotion and communication, increased awareness and understanding among the national committee and the federal government departments that have signed the Memorandum of Understanding with the national committee about the issues of official language minority community development and approaches to strengthen the communities. • Increased capacity of the Secretariat and regional coordinators with Section 41 responsibilities to advise and support the funded committees. <p><u>Medium term</u></p> <ul style="list-style-type: none"> • Increased leverage, within federal government departments and agencies that have signed the Memorandum of Understanding and from external bodies, of financial and other support for official language minority communities for community development projects. • Federal departments and agencies taking into account the needs of OLMCs during the development and delivery of their policies and programs, particularly those of human resources and economic development. <p><u>Long term</u></p> <ul style="list-style-type: none"> • Critical mass of local human resources in official language minority communities capable of promoting and implementing their own development. • Increased diversity of funding bases for the national committees, the Regroupements de développement économique et d'employabilité and Community Economic Development and Employability Committees. • Increased economic and job growth in official language minority communities.

FACT SHEET #8 (Continued)	
Partners	HRSDC works closely with the National Committee for Canadian Francophonie Human Resources Development and the National Human Resources Development Committee for the English Linguistic Minority.
Milestones for Achievement:	
Renewal Date	Not applicable until TB approval of authorities and resources for the new Consolidated Revenue Fund Support Fund has been obtained.
Evaluation Performed	Formative evaluation has been completed and is in final stages of approval and publication. This evaluation examined the Support Fund provided as a Labour Market Partnerships (LMP) initiative under the Part II Employment Benefits and Support Measures (EBSM) of the <i>Employment Insurance Act</i> .
Evaluation Scheduled	An evaluation has not been scheduled for the new CRF funded program for Support Fund as Treasury Board approval of authorities and resources has not yet been obtained

FACT SHEET #9	
Older Workers Pilot Projects (OWPP) (2004-2005 Planned Spending: \$5.0M)	
Objectives	<p>To test employability approaches for older workers by funding pilot projects designed to re-integrate displaced older workers into sustainable employment, or maintain in employment older workers threatened with displacement.</p> <p>This objective supports HRSDC's human resources investment priorities aimed at helping clientele with particular labour market needs and issues, broadening partnerships to enhance and integrate programming and focusing on prevention.</p>
Expected Results and Outcomes	<p>The main program outcomes will focus on enhanced employability and long term employment of older workers and the level to which the program helped them achieve greater employability and obtain and sustain employment.</p> <p>These projects will provide both orders of government with a better understanding of what works for this particular client group and how HRSDC and/or the provinces and territories might wish to proceed in advancing eventual policies and programs for older workers.</p>
Partners	<p>The OWPP Initiative is a federal-provincial/territorial initiative.</p> <p>Provincial and territorial governments include: Government of Newfoundland and Labrador; Government of Nova Scotia; Government of Prince Edward Island; Government of New Brunswick; Government of Quebec; Government of Manitoba; Government of Saskatchewan; Government of British Columbia; Government of the Yukon; Government of the Northwest Territories; and Government of Nunavut.</p> <p>(Ontario and Alberta are not participating in the Initiative)</p>
Milestones for Achievement:	
Renewal Date	Program to end on May 20, 2005
Evaluation Performed	<p>Evaluations of pilot projects that ended on or before March 31, 2004 are ongoing, with some evaluations nearing completion.</p> <p>For projects undertaken during the 2004-2005 fiscal year each participating jurisdiction will submit to HRSDC two employment outcome reports. The first will consist of a 30-day follow-up survey; the second will consist of a 12 month follow-up survey. These results will supplement the overall evaluation.</p>
Evaluation Scheduled	<p>Final evaluations for projects that ended on or before March 31, 2004, to be received by HRSDC by March 31, 2005.</p> <p>30 day follow-up survey to be received by HRSDC by May 15, 2005.</p> <p>12 month follow-up survey to be received by HRSDC by April 30, 2006.</p>

Annex 5: Foundations (Conditional Grants)

Peter Gzowski Foundation for Literacy			
Purpose of the Foundation	Amount and Timing of Funding Provided	Projected Use of Funds	Expected Results
The purpose of this foundation is to provide one time funding and a vehicle for corporations and private citizens, who supported Peter Gzowski's work in literacy, to make donations in his name.	\$5 million on March 31, 2003.	<p>Literacy activities which support the national coordination of the Peter Gzowski Golf Tournament for Literacy.</p> <p>Literacy activities which support the raising of funds and public awareness for literacy at the local level.</p> <p>Literacy activities that support the promotion of literacy and leverage funds for literacy throughout Canada.</p>	<ul style="list-style-type: none"> • Increased public awareness of, and support for, literacy issues • Leveraged funds • Promotion of literacy and its importance • Literacy activities that support the promotion of literacy and leverage funds for literacy throughout Canada.

Frontier College Learning Foundation			
Purpose of the Foundation	Amount and Timing of Funding Provided	Projected Use of Funds	Expected Results
Frontier College Learning Foundation provides financial support for the work of Frontier College. Frontier College is a Canada-wide, volunteer-based, literacy organization which teaches people to read and write and nurtures an environment favourable to lifelong learning. It reaches out to people wherever they are and responds to their particular learning needs.	\$12 million on March 31, 2000.	The endowment assists Frontier College to increase the number of university chapters, the number of student tutors and the establishment of tutor-training partnerships with national youth servicing agencies in Canada.	The endowment is expected to result in the growth of Frontier College's presence and services across Canada which in turn results in increased access to their program.

The Canada Millennium Scholarship Foundation

The Budget Implementation Act, 1998, provides for the creation of the Canada Millennium Scholarship Foundation. The Act establishes that the Minister of Human Resources Development Canada (which has become Human Resources and Skills Development Canada) is responsible for tabling Foundation reports to Parliament, including the Foundation's annual report.

The endowment is managed in accordance with the Funding Agreement between the Foundation and the Government of Canada, as represented by the Ministers of Finance and Human Resources Development Canada (which has become Human Resources and Skills Development Canada).

For further information on the Foundation, see www.millenniumscholarships.ca.

Purpose of the Foundation	Amount and Timing of Funding Provided	Projected Use of Funds	Expected Results
To increase access to post-secondary education by granting scholarships to students who are in financial need and who demonstrate merit.	Created in 1998 as an autonomous body with a \$2.5 billion endowment to administer scholarships to students for a period of ten years, starting in the year 2000.	Annually award bursaries averaging \$3,000 to post-secondary students based on financial need.	Approximately 90,000 students with demonstrated financial need benefit from millennium bursaries annually.
		Distribute annual millennium entrance excellence awards, valued at \$4,000 or \$5,000 depending on the type of award, to students beginning post-secondary studies for the first time who demonstrate exceptional merit.	Over 900 post-secondary students benefit from millennium entrance excellence awards annually.
		Beginning in September 2003, distribute annual national in-course excellence awards, valued at \$4,000 or \$5,000 depending on the type of award, to upper-year post-secondary students.	Starting in 2003, up to 1,200 post-secondary students benefit from annual national in-course excellence awards.
		Undertake a research program into the determinants of access to higher education and the effect of current student financial assistance programs on students' behaviour.	Improve access to post-secondary education so that Canadians can acquire the skills needed to participate in a changing economy and society.

Canadian Council on Learning

As per the terms and conditions of the funding agreement governing the grant, the foundation will provide Human Resources and Skills Development Canada with an annual business plan and make public an annual report. The initial work of the Canadian Council on Learning will focus on learning outcomes in areas of federal jurisdiction, such as First Nations' education. The Council will develop collaborative relationships that build on and complement existing efforts and avoid duplication and will work in partnership with existing mechanisms, such as the Canadian Education Statistics Council. Expected long-term results are detailed below.

Purpose of the Foundation	Amount and Timing of Funding Provided	Projected Use of Funds	Expected Results
To promote and support evidence-based decision making in all areas of lifelong learning by informing Canadians regularly on Canada's progress on learning outcomes, and promoting knowledge and information exchange among learning partners.	The foundation received a grant of \$85 million in March 2004 to cover activities for the fiscal years from 2004-2005 to 2008-2009.	Build a framework of indicators that measure learning outcomes across lifelong learning.	An integrated pan-Canadian set of indicators for reporting on outcomes across the continuum of lifelong learning.
		Fill key learning knowledge, information and data gaps.	Improved data and information on learning to address learning priorities.
		Prepare and disseminate learning information and reports.	Improved evidence-based decision making by users of learning information, including individual Canadians and learning system administrators, and improved learning outcomes for Canadians.
		Partner with existing organizations to improve knowledge exchange by building networks, and supporting effective practices and access to data and information.	Strengthened collaboration amongst organizations involved in learning information across Canada, greater use of effective practices by learning system decision makers and improved access to data and information.

Annex 6: Major Initiatives and/or Programs

The following annex provides a brief overview of the department's major programs and initiatives as well as a web address to which the reader may refer in order to obtain more information.

Programs and Initiatives
<p style="text-align: center;"><i>Strategic Outcome:</i> <i>Efficient and Effective Income Support and Labour Market Transitions</i></p>
<p>Employment Insurance Benefits</p> <ul style="list-style-type: none"> • Employment Insurance provides temporary financial assistance for unemployed Canadians while they look for work, as well as Canadians who are sick, pregnant or caring for a newborn or adopted child, or need to take a temporary absence from work to provide care or support to a gravely ill family member with a significant risk of death. <p>Website: http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/ei.shtml</p>
<p>Employment Benefits and Support Measures (EBSM) and Labour Market Development Agreements (LMDA)</p> <ul style="list-style-type: none"> • Part II of the <i>Employment Insurance Act</i> authorizes the design and implementation of Employment Benefits and Support Measures to help unemployed participants to prepare for, obtain and maintain employment and to support organizations, businesses and communities that provide employment assistance services. <p>Website: http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/gc.shtml</p> <ul style="list-style-type: none"> • Within the authority of the <i>Employment Insurance Act</i>, LMDAs have been signed with all provinces and territories with the exception of Ontario. Seven 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 EBSMs. HRSDC delivers EBSMs in four provinces and one territory under co-managed LMDAs, and in Ontario. 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 EBSMs and for the LMDAs pursuant to section 63 of the <i>EI Act</i>. <p>Website: http://www.tbs-sct.gc.ca/rma/epi-ibdrp/hrdb-rhbd/h004_e.asp</p>
<p>Aboriginal Human Resources Development Strategy (AHRDS)</p> <ul style="list-style-type: none"> • 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. <p>Websites:</p> <p>http://www17.hrdc-drhc.gc.ca/ARO-BRA/ARO.cfm</p> <p>http://www.socialunion.gc.ca/ecd_e.html</p> <p>http://www.hc-sc.gc.ca/english/media/releases/2002/2002_72bk.htm</p>
<p>Aboriginal Skills and Employment Partnerships (ASEP)</p> <ul style="list-style-type: none"> • The ASEP is a nationally managed program geared to supporting collaboration between Aboriginal groups and the private sector and governments to ensure that Aboriginal people can participate in major economic opportunities. <p>Website: http://www17.hrdc-drhc.gc.ca/ARO-BRA/ARO.cfm</p>

Programs and Initiatives

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.

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

Labour Market Adjustments and Official Language Minority Communities

- Official Language Minority Communities** – The Secretariat, Official Language Minority Communities (SOLMC) is responsible for the implementation of Part VII, Section 41 of the *Official Languages Act for HRSDC*. SOLMC also supports the Government's Action Plan on Official Languages by contributing to the integration of French Immigrants to the labour market and supporting future horizontal planning exercises.

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

- Work Sharing** – Work Sharing (WS) is a voluntary program that enables employers to face temporary cutbacks and still avoid layoffs. The program is used when a reduction of the normal level of business activity is beyond the control of the employer and the employer is able to demonstrate that the business will be able to fully resume normal production levels at the end of the WS agreement.

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

Strategic Outcome:
Enhanced Competitiveness of Canadian Workplaces by Supporting Investment in and Recognition and Utilization of Skills

Human Resources Partnerships (HRP)

- HRP advances partnerships with industry and the learning system to ensure that Canadians have the skills and knowledge required for the workplace. HRP has three core activities: working with sector councils and on sectoral initiatives; developing and maintaining skills information; and supporting apprenticeship and labour mobility.

Websites: *The Sector Council Program*

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

National Occupation Classification (NOC)

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

Apprenticeship and Labour Mobility Initiatives

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

The Foreign Worker Program

- The Foreign Worker Program seeks to improve the Canadian labour market by ensuring that qualified foreign workers are admitted to work in Canada for jobs or vacancies that cannot readily be filled by Canadians.

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

Labour Market Information (LMI)

- LMI is a service that assists job seekers, people choosing a career, workers, career practitioners, employment service providers, employers and community development organizations in making labour market related decisions.

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

Programs and Initiatives
<p style="text-align: center;"><i>Strategic Outcome:</i> <i>Through Access to Learning, Canadians Can Participate Fully in a Knowledge-Based Economy and Society</i></p>
<p>Student Financial Assistance (Canada Student Loans Program) (CSLP)</p> <ul style="list-style-type: none"> The CSLP promotes accessibility to post-secondary education for those with demonstrated financial need by lowering financial barriers through the provision of loans and grants. <p>Websites: http://www.hrsdc.gc.ca/en/gateways/topics/cxp-gxr.shtml http://www.canlearn.ca</p>
<p>Canada Education Savings Grant (CESG)</p> <ul style="list-style-type: none"> The CESG program encourages Canadians to save for the post-secondary education of children through Registered Education Savings Plans (RESPs). <p>Website: http://www.hrsdc.gc.ca/en/gateways/topics/cgs-gxr.shtml</p>
<p>National Literacy Program</p> <ul style="list-style-type: none"> The National Literacy Secretariat works in partnership with the provinces and territories, other government departments, business and labour, the voluntary sector and non-governmental organizations to build capacity for literacy opportunities across Canada. <p>Website: http://www.hrsdc.gc.ca/en/gateways/topics/lxa-gxr.shtml</p>
<p>Learning Initiatives Program (LIP)</p> <ul style="list-style-type: none"> The objective of Learning Initiatives is to support a lifelong learning culture and to support partnership initiatives that will contribute to the development of a more results-oriented, accessible, relevant and accountable learning system. <p>Website: http://www.hrsdc.gc.ca/en/gateways/topics/lxi-gxr.shtml</p>
<p>International Academic Mobility (IAM)</p> <ul style="list-style-type: none"> The IAM program advances the development of international skills, knowledge and understanding among students and promotes academic cooperation and institutional linkages among colleges and universities. <p>Website: http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/iam.shtml</p>
<p>Office of Learning Technologies (OLT)</p> <ul style="list-style-type: none"> OLT promotes and facilitates 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 network technologies and strong partnerships. <p>Website: http://www.hrsdc.gc.ca/en/hip/lld/olt/01_index.shtml</p>
<p style="text-align: center;"><i>Strategic Outcome:</i> <i>Safe, Healthy, Fair, Stable, Cooperative and Productive Workplaces</i></p>
<p>The Federal Mediation and Conciliation Service (FMCS)</p> <ul style="list-style-type: none"> The FMCS 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 <i>Canada Labour Code</i>. <p>Website: http://www.hrsdc.gc.ca/asp/gateway.asp?hr=/en/lp/fmcs/02About.shtml&hs=mxm</p>

Programs and Initiatives

National Labour Operations

- National Labour Operations ensures consistent and cost-effective implementation of Parts II (Occupational Health and Safety) and 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 also responsible for administering the *Government Employees' Compensation Act* and the *Merchant Seamen Compensation Act*. National Labour Operations also administers Fire Protection Services on behalf of Treasury Board.

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

International Labour Affairs (ILA)

- International Labour Affairs works to defend and project Canadian values and interests by promoting respect for fundamental labour rights, negotiating and implementing innovative international labour agreements, and by representing Canadian interests in key international fora.

Website: <http://www.hrsdc.gc.ca/en/gateways/business/cluster/category/ilaa.shtml>

Workplace Policy and Information

- Workplace Policy and Information researches key workplace and labour law issues, develops policy options, and disseminates research findings and information key stakeholders.

Website: Work-life Balance and Ageing Workforce

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

Strategic Outcome:

Enhanced Community Capacity to Contribute to the Reduction of Homelessness

The National Homelessness Initiative (NHI)

- The NHI is a community-led initiative that engages all levels of government, community stakeholders and private and voluntary sector partners to work together to strengthen existing service capacity and to develop new community-based responses to homelessness that reflect local circumstances and assist homeless individuals and families in achieving and maintaining self-sufficiency.

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

Annex 7: Source of Respendable and Non-Respendable Revenue

Details of Respendable and Non-Respendable Revenue by Business Line				
	Authority (Restated) ^a	Planned Spending		
(millions of dollars)	2003-2004	2004-2005	2005-2006	2006-2007
Respendable Revenues^b				
Employment Insurance Benefits	455.8	480.6	479.5	479.0
Employment Programs	124.3	149.8	146.6	149.2
Workplace Skills	37.6	38.2	38.2	38.2
Learning	15.1	13.7	13.7	13.7
Labour	73.7	74.0	76.0	79.0
Homelessness	0.0	0.0	0.0	0.0
Policy, Program and Service Delivery Support	178.1	138.9	138.6	138.6
Total Respendable Revenues	884.6	895.2	892.6	897.7
Non-respendable Revenues				
Employment Insurance Benefits - Recovery of Employee Benefit Plan (EBP) costs	65.9	71.2	70.9	70.9
Employment Programs - Recovery of EBP	10.7	14.8	14.4	11.6
Workplace Skills - Recovery of EBP	5.3	5.4	5.4	5.4
Learning				
Student loan recoveries	101.0	107.5	126.3	134.2
Set-offs of income tax refunds	51.3	55.2	64.4	67.6
Recovery of EBP	2.1	2.2	2.2	2.2
	154.4	164.9	192.9	204.0
Labour - Service Fees	1.8	1.8	1.8	1.8
Homelessness - Recovery of EBP	0.0	0.0	0.0	0.0
Policy, Program and Service Delivery Support Recovery of EBP	14.1	14.9	14.9	14.9
Total Non-Respendable Revenues	252.2	273.0	300.3	308.6

a Restated authority as a result of December 12, 2003 restructure of HRDC into SDC and HRSDC.

b The respendable revenues include administrative costs recovered from the EI Account and CPP.

Annex 8: Net Cost of Programs for the Estimates Year

Financial Table Part I

Net Cost of Programs for the Estimates Year (TABLE PART I)				
(millions of dollars)	Authority (Restated) ^a	Planned Spending		
	2003-2004	2004-2005	2005-2006	2006-2007
Budgetary Main Estimates ^a	3,001.0	2,887.6	2,845.5	2,738.9
Less: Respendable revenues ^a	(884.6)	(894.2)	(891.9)	(897.4)
Total Main Estimates ^a	2,116.4	1,993.4	1,953.6	1,841.5
Adjustments to Planned Spending ^b				
Budget 2003				
Foreign Credential Recognition	-	8.8	9.8	8.8
Official Languages Plan	-	1.2	1.5	1.4
Sub-Total Budget 2003	-	10.0	11.3	10.2
Budget 2004				
Canada Learning Bond	-	85.0	85.0	100.0
Enhancement to Canada Education Savings Grant	-	20.0	80.0	80.0
Easing transition to Post-Secondary School	-	-	45.0	48.0
Enhancing Student Loans	-	-	14.0	18.0
Canada Learning Bond (Administration)	-	15.0	15.0	10.0
Implementing new Workplace Skills Strategy	-	5.0	10.0	10.0
Foreign Credential Recognition	-	-	4.9	4.9
Aboriginal Human Resources Development Strategy	-	25.0	25.0	25.0
Sub-Total Budget 2004	-	150.0	278.9	295.9
Others				
Minority Official Languages Community	-	9.0	-	-
Minister's Salary & Car Allowance	-	-	0.1	0.1
Toronto Waterfront Revitalization	-	115.7	110.9	110.9
Canada's Action Plan Against Racism	-	2.0	-	-
Older Workers Pilot Projects Initiative	-	5.5	-	-
Employment Insurance Pilot Project	-	0.1	0.1	-
Sub-Total Others	-	132.3	111.1	111.0
Total Adjustments to Planned Spending ^b	-	292.3	401.3	417.1
	2,116.4	2,285.7	2,354.9	2,258.6
Non-Budgetary Main Estimates	1,526.1	1,254.7	1,052.2	807.0
Adjustments to Planned Spending ^b	(152.0)	-	78.0	85.0
	1,374.1	1,254.7	1,130.2	892.0
NET PLANNED SPENDING	3,490.5	3,540.4	3,485.1	3,150.6

- a. The 2003-2004 figures reflect the restated authority as a result of December 12, 2003 restructure of HRDC into SDC and HRSDC.
- b. The adjustments for 2003-2004 represent the items approved through the Supplementary Estimates. The adjustments to the Planned Spending for 2004-2005, 2005-2006 and 2006-2007 reflect the impact of the Budget 2003 and Budget 2004 as well as approvals to date which are not included in the Main Estimates.

Financial Table Part II

Net Cost of Programs for the Estimates Year (TABLE PART II)				
(millions of dollars)	Authority (Restated) ^a	Planned Spending		
	2003-2004	2004-2005	2005-2006	2006-2007
NET PLANNED SPENDING (Total reported from Table-Part I)	3,490.5	3,540.4	3,485.1	3,150.6
Specified Purpose Accounts				
Employment Insurance	17,159.8 ^b	17,344.2	17,707.9	n/a ^c
Other Specified Purpose Accounts	58.4	55.2	52.0	n/a
Departmental Recoveries charged to the CPP	10.1	9.3	9.3	n/a
Departmental Employee Benefit Plan recoverable from EI Account and CPP	(96.3)	(106.7)	(106.0)	n/a
Total HRSDC Consolidated	20,622.5	20,842.4	21,148.3	
Less: Non-respendable Revenues ^d				
Student Loans recovery	101.0	107.5	126.3	
Set-offs of income tax refunds	51.3	55.2	64.4	
Others	1.8	1.8	1.8	
	154.1	164.5	192.5	
Plus: Services Received without Charge				
Contributions covering employers' share of employees' insurance premiums and costs paid by Treasury Board Secretariat	11.8	12.4	12.1	
Salary and associated costs of legal services provided by the Department of Justice	4.4	3.2	3.3	
	16.2	15.6	15.4	
TOTAL NET DEPARTMENTAL COST	20,484.6	20,693.5	20,971.2	
Full Time Equivalents	13,910	13,837	13,691	12,961

- a. The 2003-2004 figures reflect the restated authority as a result of December 12, 2003 restructure of HRDC into SDC and HRSDC.
- b. EI Benefits for 2003-2004 represent the Budget 2004 forecasts.
- c. Forecasted expenditures for EI Benefits are available only for the planning years 2004-2005 and 2005-2006.
- d. Non-Respendable Revenues: Revenues against Non-Budgetary or loans. These revenues exclude recoveries associated with the Employee Benefit Plan recoverable from EI Account and CPP.

Annex 9: Specified Purpose Accounts

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.

Employment Insurance Account

Description

The Employment Insurance (EI) Account was established in the Accounts of Canada by the *Employment Insurance Act (EI Act)* to record all amounts received or paid out under that Act. The *EI Act* provides short-term financial relief and other assistance to eligible workers. The program covers all workers in an employer-employee relationship. Self-employed fishers are also included under special regulation of the *EI Act*. In 2002, 15.2 million Canadians contributed to the Program and 2.6 million received benefits.

Employment Insurance provides:

- **Income Benefits** under Part I of the *EI Act* as a temporary income replacement to claimants, including self-employed fishers, while they look for work. This includes work-sharing agreements for temporary work shortages to allow employees to receive pro-rated EI benefits while working for part of a week, thus avoiding layoffs. EI also provides four types of special benefits: maternity benefits, payable to biological mothers for work missed as a result of pregnancy and childbirth; parental benefits, payable to both biological and adoptive parents for the purpose of caring for a new born or adopted child; sickness benefits, payable to claimants who are too ill to work; and newly implemented compassionate care benefits, payable to claimants who provide care to a gravely ill or dying child, parent or spouse.
- **Employment Benefits and Support Measures** under Part II of the *EI Act* can be tailored to meet the needs of individuals and local circumstances. The Government of Canada has Labour Market Development Agreements with all provinces and territories with the exception of Ontario. These enable provincial and territorial governments to assume direct responsibility for the design and delivery of these benefits or to take part in co-management arrangements with the federal government.

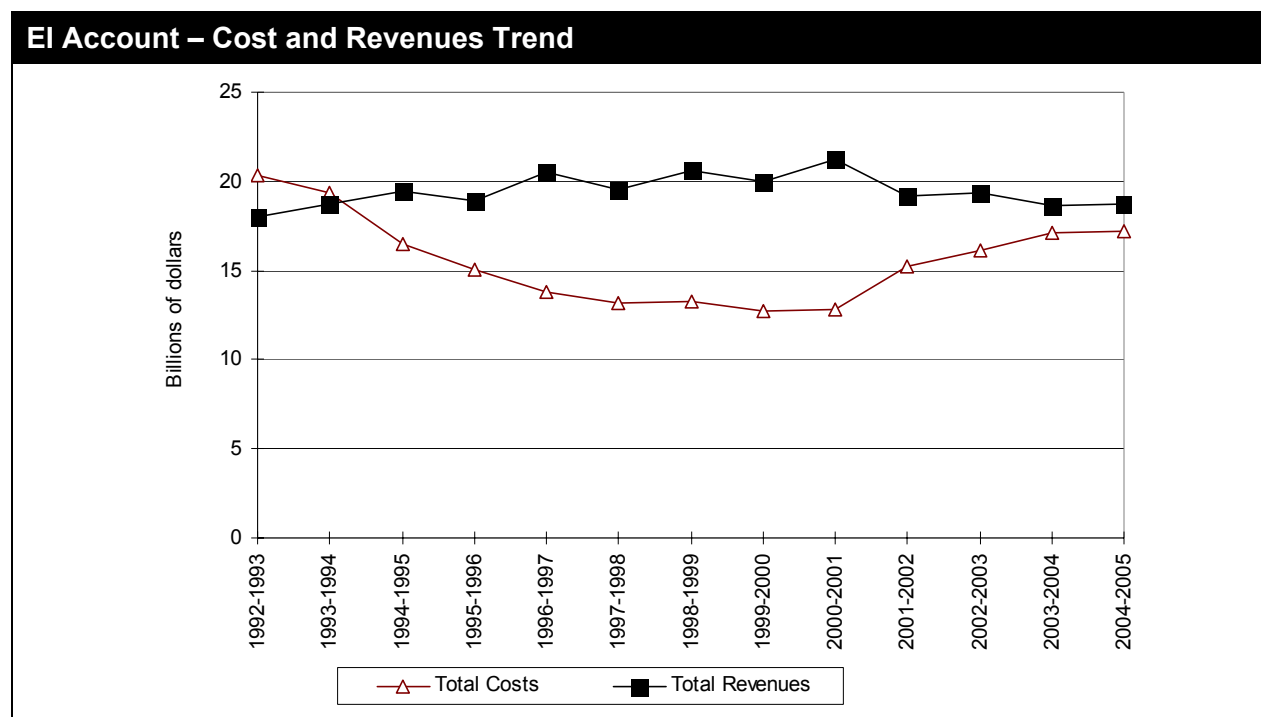
Employers and workers pay all costs associated with EI through premiums. Benefits and administrative costs are paid out of the Consolidated Revenue Fund and charged to the EI Account. A surplus in the Account generates interest at a rate established by the Minister of Finance, which is currently set at 90% of the monthly average of the three-month Treasury bill rate.

Financial Summary

In 2004-2005, total revenues are expected to exceed total costs by \$1.4 billion, which will increase the cumulative surplus to \$47.2 billion as of March 31, 2005. The changes in benefits and premium are explained as follows:

- Benefits are expected to increase by 1.4% to \$15.7 billion. This is due to a 2.5% expected increase in the average weekly benefits partially offset by a 1.4% expected decline in the number of beneficiaries; and
- Premium revenue is expected to decrease to \$17.5 billion, as the reduction in premium rates to 1.98% in 2004 is partially offset by rising employment and earnings.

The following chart summarizes trends in total costs and revenues of the EI Account from 1992-1993 to 2004-2005.



The table below summarizes the financial results for the EI Account from 2001-2002 to 2004-2005. In 2002-2003, the Government of Canada changed its basis of accounting from the modified accrual accounting to the full accrual basis of accounting. This change in accounting policy has been applied retroactively and the financial statements have been restated accordingly.

EI Account – Summary				
(millions of dollars)	Actual		Forecast	Planned Spending
	2001-2002	2002-2003	2003-2004	2004-2005
Expenditures				
Benefits	13,694	14,501	15,505	15,715
Administrative Costs	1,476	1,519	1,571	1,539
Doubtful Accounts	73	81	84	90
Total Costs	15,242	16,101	17,160	17,344
Revenues				
Premium Revenue	17,999	18,243	17,887	17,484
Penalties	65	71	72	74
Interest	1,087	1,055	1,181	1,165
Total Revenues	19,152	19,369	19,140	18,723
Surplus				
Current Year	3,909	3,268	1,980	1,379
Cumulative	40,544	43,812	45,792	47,171

Note:

1. The EI premiums reported in the summary financial statements of the Government of Canada exclude the premium contributions made by the Government of Canada as an employer.
2. 2001-2002 figures have been re-stated to reflect changes in accounting policies in 2002-2003.
3. Totals may not add due to rounding.

Benefit Payments

Benefits in 2004-2005 are expected to reach \$15.7 billion, consisting of \$13.5 billion for Income Benefits and \$2.2 billion for Employment Benefits and Support Measures.

Income Benefits

EI Income Benefits include regular, special, work sharing and fishers' benefits.^a Major aspects of these benefits are as follows:

Regular Benefits

- **Amount of Work Required to Qualify for Benefits**

- Most claimants require 420 to 700 hours of work during their qualifying period, regardless of whether from full-time or part-time work, or whether the work is with one employer or several. The exact number of hours required is called the “variable entrance requirement”. It is determined by the rate of unemployment in a claimant’s region at the time he or she applies for benefits. In general, the higher the rate of unemployment, the fewer hours of work required to qualify.
- People who have just entered the labour market (“new entrants”) and those returning to the labour force after an absence (“re-entrants”) require 910 hours of work. However, if they worked at least 490 hours in the 12 months preceding the qualifying period, or received at least one week of maternity or parental benefits in the four years before that, they will be eligible under normal rules the following year.
- Claimants who commit EI fraud are subject to higher entrance requirements. The degree of violation – minor, serious, very serious or repeat violation – increases the minimum number of hours required to establish a claim to 1.25, 1.5, 1.75 or 2 times the normal minimum hours of work required.
- Analysis of the employed population indicates that access to EI remains high with 88% of individuals in paid employment being eligible for EI benefits.^b

- **Determining the Benefit Rate and Entitlement**

- Claimants for regular benefits may receive benefits for 14 to 45 weeks, depending upon their hours of insurable employment and the regional unemployment rate.
- Claimants' weekly benefits are 55% of their average insurable earnings during the last 26 weeks. The average insurable earnings are based on the actual weeks of work, subject to a minimum 14 to 22 divisor that is tied to the regional rate of unemployment.
- Claimants with a combined family income of less than \$25,921 and who qualify for the Canada Child Tax Benefit (CCTB) receive a Family Supplement based upon:
 - The net family income;
 - The number of dependent children; and
 - The ages of those dependent children.

^a For more details refer to the EI website at http://www.hrdc-drhc.gc.ca/ae-ei/employment_insurance.shtml

^b For further information, see <http://www.hrdc-drhc.gc.ca/ae-ei/loi-law/eimar.shtml>

- The benefit rate for claimants who receive a Family Supplement can be increased to a maximum of 80% of the claimant's average weekly insurable earnings. However, the actual weekly amount of benefits cannot exceed the maximum weekly rate noted below.
- The maximum weekly benefit rate stays at \$413 (55% of the maximum weekly insurable earnings of \$750). The Maximum Yearly Insurable Earnings (MYIE) remain at \$39,000 until they are exceeded by 52 times the projected average weekly industrial wages.

Special Benefits

Claims for sickness, maternity, parental, or compassionate care benefits require 600 hours of work, and are not affected by the new entrant/re-entrant rule. All claimants may receive sickness benefits for up to 15 weeks. Parental benefits of 35 weeks are available for biological and adoptive parents in addition to the 15 weeks of maternity benefits available to biological mothers. Compassionate care benefits of 6 weeks are available for those providing care for a gravely ill or dying child, parent or spouse.

Work Sharing

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

Fishers' Benefits

Fisher claims have a duration and benefit rate that depend on the earnings from fishing and the regional rate of unemployment. All fisher claims have a 31-week maximum qualifying period and a maximum entitlement of 26 weeks of benefits. These can be claimed from October 1st to June 15th for summer fishers' benefits and April 1st to December 15th for winter fishers' benefits.

Benefit rates for fisher claims are determined by a minimum of 14 to 22 divisor that depends on the regional rate of unemployment, not actual weeks worked.

Benefit Repayments

When the net annual income of EI claimants exceeds 1.25 times the maximum yearly insurable earnings ("the repayment threshold"), they have to repay the lesser of 30% ("the repayment rate") of the benefits received that make up the excess or 30% of the amount of regular or fishers benefits paid. This does not apply to claimants who did not receive EI regular or fishers benefits in the last 10 years, to recipients of special EI benefits nor to recipients of employment benefits.

EI Income Benefits – Expenditures

(millions of dollars)	Actual		Forecast	Planned Spending
	2001-2002	2002-2003	2003-2004	2004-2005
Income Benefits				
Regular	8,555	8,676	9,453	9,297
Sickness	648	691	757	786
Maternity	848	845	893	932
Parental	1,311	1,880	1,968	2,053
Compassionate Care			48	190
Fishing	290	309	341	363
Work Sharing	48	23	24	20
Benefit Repayments	(99)	(100)	(103)	(113)
Total Income Benefits	11,602	12,325	13,381	13,528

Note:

Totals may not add due to rounding.

Factors Affecting Income Benefit

	Actual		Forecast	Planned Spending	% change
	2001-2002	2002-2003	2003-2004	2004-2005	
Income Benefits (\$ million)	11,602	12,325	13,381	13,528	1.1%
Average Monthly Beneficiaries (000's)	783	818	862	850	(1.4%)
Benefit Rate (\$/week)	284	290	294	301	2.5%

Employment Benefits and Support Measures

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

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

Part II of the *EI Act* also authorizes the federal government to make payments to the governments of the provinces and territories for implementing programs similar to Employment Benefits and Support Measures. The planned federal contribution to provinces and territories (i.e., New Brunswick, Quebec, Manitoba, Saskatchewan, Alberta, Northwest Territories and Nunavut) under transfer Labour Market Development Agreements is \$892 million for 2004-2005.

The total planned spending for Employment Benefits and Support Measures in 2004-2005 is set at approximately \$2.2 billion or 0.6% of the total estimated insurable earnings of \$382.876 billion. This is below the 0.8% ceiling set under Section 78 of the *EI Act*.

Employment Benefits and Support Measures

(millions of dollars)	Actual		Forecast	Planned Spending ^a
	2001-2002	2002-2003	2003-2004	2004-2005
Job Creation Partnerships	58	68	65	
Skills Development	453	436	418	
Self-Employment	82	93	89	
Targeted Wage Subsidies	44	44	42	
Employment Assistance	300	339	325	
Labour Market Partnerships	237	271	259	
Research & Innovation	26	34	32	
Total HRSDC Programs	1,199	1,284	1,230	1,295
Transfers to Provinces and Territories	893	893	894	892
Total	2,092	2,177	2,124	2,187

a Breakdown by component is not available, as spending will be guided by local labour market needs. Breakdown by provinces/territories is provided in the EI Part II – 2004-2005 Expenditure Plan.

Note:

1. 2001-2002 figures have been re-stated to reflect changes in accounting policies in 2002-2003.
2. Totals may not add due to rounding.

Premiums

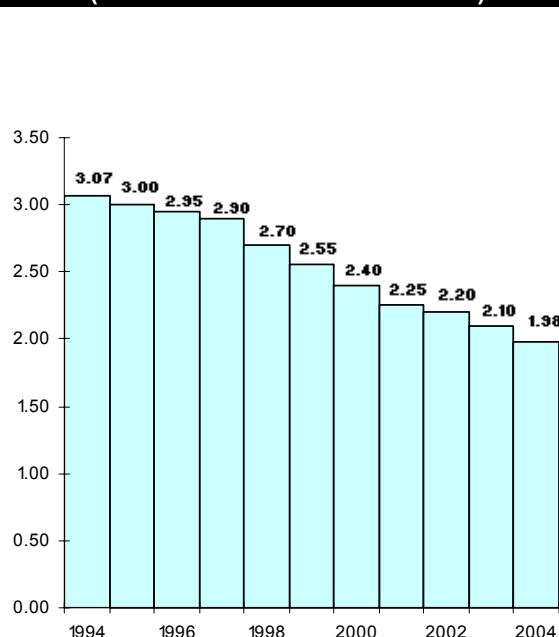
Premiums are collected from insured employees and their employers to cover the program costs over a business cycle, based on a yearly premium rate and employees' insurable earnings. The factors affecting the premiums are further explained below:

Premium Rate: As indicated in the chart, the premium rate has been gradually reduced from its peak level of 3.07% of insurable earnings in 1994 to 2.10% in 2003 and 1.98% in 2004, for employees. The corresponding employer rates at 1.4 times the employee rate are 2.94% for 2003 and 2.77% for 2004.

The government's objective on setting EI premium rates is to develop a more transparent and sustainable process. Budget 2003 launched public consultations on a new rate-setting regime for 2005 and beyond, the results of which the Government is currently reviewing. The summaries of these EI rate-setting consultations can be found on the Department of Finance website;
http://www.fin.gc.ca/activty/consult/eirates_e.html.
 Legislation to implement the results of this process will be introduced in time to have the new regime in place for 2005.

For planning purposes, the premium revenue forecast for 2004-2005 is based on a premium rate of 1.98% for the employee and 2.77% for the employer in the first three months of 2005.

**EMPLOYEE PREMIUM RATE TREND
(% OF INSURABLE EARNINGS)**



Maximum Yearly Insurable Earnings (MYIE): Premiums are paid on all employment earnings of insured employees up to the MYIE. Section 4 of the *EI Act* provides that the MYIE will be \$39,000 until the projected value of the average weekly earnings in Canada times 52 exceeds that threshold. Thereafter, the MYIE will be set equal to such projected value times 52, rounded down to the nearest \$100. For 2004, the projected value (times 52) was calculated to be \$36,200 and, therefore, the MYIE was left at \$39,000.^c

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

Premium Refund:

- Workers with annual earnings of \$2,000 or less can receive a refund of their EI premiums through the income tax system.
- EI premiums are refunded to employees when their insurable earnings are in excess of the maximum yearly insurable earnings.

Factors Affecting Premium Revenue					
	Actual		Forecast	Planned Revenue	%
	2001-2002	2002-2003	2003-2004	2004-2005	Change
Fiscal Year Factors					
Premium Revenue (\$ million)	17,999	18,243	17,887	17,484	(2.3%)
Total Insurable Earnings (\$ million)	351,615	364,502	373,548	382,876	2.5%
	2001	2002	2003	2004	
Calendar Year Factors					
Employee Premium Rate ^a (% of insurable earnings)	2.25%	2.20%	2.10%	1.98%	(5.7%)
Maximum Insurable Earnings (\$)	39,000	39,000	39,000	39,000	
Premium Reduction (\$ million)	(515)	(513)	(527)	(542)	
Premium Refunds (\$ million)					
Employee	(185)	(170)	(176)	(169)	
Employer (New Hires/Youth Hires)	(17)	(11)	-	-	

a The employers' portion is 1.4 times the employee rate.

Note:

- The premium rate reduction from 2.10% to 1.98%, as set by Bill C-28 for the calendar year 2004, represents an ongoing annual savings to employers and employees of \$9.7 billion in 2004, compared to the 1994 rate. The 5.7% reduction in premium rate should result in lower premium revenue in 2004-2005, as the total insurable earnings are expected to increase by 2.5%.
- 2001-2002 figures have been re-stated to reflect changes in accounting policies in 2002-2003.

Interest Earned

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

^c For further information, see <http://www.hrdc-drhc.gc.ca/ae-ei/loi-law/max2003.pdf>

^d For further information, see <http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/cs/prp/010.shtml&hs=eyp>

Effective July 1, 2002, interest is charged on overdue accounts receivable, caused through misrepresentation, in accordance with Treasury Board regulations. The interest rate used in this calculation is the average Bank of Canada discount rate for the previous month plus 3%.

Interest Earned				
	Actual		Forecast	Planned Revenue
	2001-2002	2002-2003	2003-2004	2004-2005
Sources				
Account Balance	1,087	1,036	1,151	1,129
Accounts Receivable	0	19	30	36
Total	1,087	1,055	1,181	1,165

Interest earned is expected to remain at \$1.2 billion, as the decrease in the interest rate is offset by the higher cumulative surplus.

Administrative Costs

Section 77 of the *EI Act* specifies that the costs of administering the Act are to be charged to the EI Account. The charges to the Employment Insurance Account are solely those directly related to the program and administration expenses under the Employment Insurance Act.

The Minister of Human Resources and Skills Development is responsible for reporting on the EI Program to Parliament. However, the Canada Revenue Agency (CRA), which collects premiums and benefit repayments and provides decisions on insurability under the Act, shares the administration of the Program. The Department of Social Development, Treasury Board Secretariat and the Department of Justice all supply services that support management and delivery of programs under the *EI Act*.

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

Administrative Costs				
	Actual		Forecast	Planned Spending
(millions of dollars)	2001-2002	2002-2003	2003-2004	2004-2005
Federal				
EI Income Benefits	464	484		
Premium Collection	107	103		
Service Delivery Support	347	380		
Corporate Services	303	300		
Human Resources Investment	173	165		
Subtotal	1,395	1,433	1,489	1,453
Provincial	91	91	92	92
Recovery	(10)	(5)	(10)	(6)
Total	1,476	1,519	1,571	1,539

Note:

Totals may not add due to rounding.

The \$1,539 million in EI administrative costs represents the initial requirements for 2004-2005, which are \$32 million less than the forecast for 2003-2004.

Government Annuities Account

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

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

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

As of March 31, 2004, there were 3,558 outstanding deferred annuities, the last of which will come into payment around 2030.

Government Annuities Account - Receipts and Disbursements				
	Actual			Planned
(millions of dollars)	2001-2002	2002-2003	2003-2004	Spending 2004-2005
Expenditures				
Actuarial Liabilities –				
Balance at beginning of year	507.8	471.4	437.6	405.8
Income	33.3	30.8	28.5	26.4
Payments and other charges	65.2	61.3	57.8	54.6
Excess of Payments and other charges over income for the year	31.9	30.5	29.3	28.2
Actuarial Surplus	4.5	3.3	2.5	1.9
Actuarial Liabilities –				
Balance at end of the year	471.4	437.6	405.8	375.7

Civil Service Insurance Fund

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

The number of policies in force as of March 31, 2004 was 1,653 and the average age of the policy holders was 85.6 years. Receipts and other credits consist of premiums and an amount (charged to expenditures) which is transferred from the Consolidated Revenue Fund in order to balance the assets and actuarial liabilities of the program. Payments and other charges consist of death benefits, settlement annuities paid to beneficiaries and premium refunds.

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

Civil Service Insurance Fund - Receipts and Disbursements				
	Actual			Planned Spending
(millions of dollars)	2001-2002	2002-2003^a	2003-2004	2004-2005
Revenue				
Opening Balance	8.0	7.7	7.5	7.1
Receipts and other credits	0.1	0.3	0.2	0.2
Payments and other charges	0.4	0.5	0.6	0.6
Excess of payments and other charges over income for the year	0.3	0.2	0.4	0.4
Closing Balance	7.7	7.5	7.1	6.7

^a The receipts and other credits in 2002-2003 were increased to account for the balancing credit of \$0.1 as of March 31, 2003 that was made.

Annex 10: Employment Insurance Part II - 2004-2005 Expenditure Plan^a

Background

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

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

- Co-management agreements where Human Resources and Skills Development Canada (HRSDC), formerly Human Resources Development Canada, and the province or territory jointly assume responsibility for the planning and design of EBSMs, while HRSDC continues to deliver programs and services through its service delivery network. Such agreements have been concluded with Newfoundland and Labrador, Prince Edward Island, British Columbia and the Yukon. There is also a strategic partnership agreement that is a variation of co-management in Nova Scotia. Furthermore, HRSDC delivers EBSMs in Ontario where there is no LMDA.
- Transfer agreements where the province or territory assumes responsibility for the design and delivery of active employment programs similar to EBSMs. Such agreements have been concluded with New Brunswick, Quebec, Manitoba, Saskatchewan, Alberta, the Northwest Territories and Nunavut.

In addition to locally and regionally delivered EBSMs and similar programs, pan-Canadian activities that are national or multi-regional in scope or purpose are delivered by HRSDC in any of the provinces through EBSMs. Pan-Canadian activities include programming similar to EBSMs delivered by Aboriginal organizations under Aboriginal Human Resources Development Agreements.

Employment Benefits and Support Measures

The five Employment Benefits are:

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

^a The following information is extracted from the approved Employment Insurance Expenditure Plan and does not reflect developments subsequent to the approval.

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

Eligibility to receive assistance under the Employment Benefits extends to persons who are insured participants as defined in Section 58 of the *EI Act*, i.e., active claimants and former claimants (individuals who have received regular benefits in the past three years or maternity or parental benefits in the past five years).

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

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

Financial Data

2004-2005 Employment Insurance Plan			
(millions of dollars)	Base	Re-Investment	Total Plan
Newfoundland and Labrador	57.8	73.1	130.9
Nova Scotia	50.9	30.3	81.2
New Brunswick	50.1	42.1	92.2
Prince Edward Island	16.2	10.0	26.2
Quebec	348.1	248.1	596.2
Ontario	340.6	184.1	524.7
Manitoba	37.7	10.2	47.9
Saskatchewan	29.1	9.9	39.0
Alberta	74.3	35.9	110.2
Northwest Territories	2.0	1.6	3.5
Nunavut	1.7	1.0	2.6
British Columbia	139.6	151.7	291.3
Yukon	2.0	2.0	4.0
	1,150.0	800.0	1,950.0
Pan-Canadian Responsibilities ^a	237.2	0.0	237.2
Funds available for Employment Benefits and Support Measures	1,387.2	800.0	2,187.2

a. Funds earmarked for Pan-Canadian priorities, such as Aboriginal programming, youth programming, sectoral and innovations projects. The amount is net of \$12.8M funds converted into HRSDC operating costs.

For 2004-2005, the EI Part II expenditure authority of \$2.2 billion represents 0.57% of total estimated insurable earnings of \$382.876 billion. This represents a lower level of expenditures than the 0.8% ceiling imposed under the Act, which is estimated at \$3.06 billion.

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

Expected Results

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

It is expected that 393,000 active claimants and an estimated 75,000 former claimants will be assisted in 2004-2005. These estimates may change, depending on labour market conditions and agreements achieved with provinces and territories.

EBSM (EI Part II Activities)			
	Clients Employed/ Self-employed	Unpaid Benefits (\$M)	Active Claimants Assisted
Targeted Results 2002-2003	200,828	\$657.97M	295,272 ^a
Actual Results 2002-2003	221,943 ^b	\$814.52M ^b	392,644 ^c
Targeted Results 2003-2004	210,059	\$752.09M	353,609
Forecasted Results 2003-2004	222,792	\$851.94M	392,598
Anticipated Results 2004-2005	223,000	\$852.00M	393,000

Note:

1. Exclusive of Employment Information Services and Pan-Canadian results.
2. The targeted results for Clients Employed and Unpaid Benefits for 2002-2003 and 2003-2004 are the totals as submitted by the regions, provinces and territories. However, the target for Active Claimants Served is the result of a combination of targets received from the regions plus 80% of Quebec's target for EI Clients Served. The Quebec agreement requires that the province report on the number of EI clients served.
3. Forecasted Results for 2003-2004 are based on historical data and the most current 2003-2004 data. As a result of SARS, BSE and issues surrounding softwood lumber, some jurisdictions used a conservative approach to target setting. Further, data capture continued to improve. As such, the forecasted results are higher than the targets submitted by provinces and territories.
4. The 2004-2005 Anticipated Results are national projections developed by NHQ (based on historical client and program data) that assume a pattern of results similar to that observed in the previous year. A further target setting exercise will be undertaken with provinces/territories and regions in March and April of 2004.

Explanation of Variances:

- a. This number differs slightly from the 299,000 active clients served which appeared in the EI Expenditure Plan for 2003-2004. This is the result of a target submission from New Brunswick which represented 65% of all EI clients served. At the time of the 2003-2004 submission the target for New Brunswick was based on historical information which showed that 80% of EI clients served were active.
- b. Actual results for "Employed" and "Unpaid Benefits" are higher than that which was targeted. This variance relates to robust labour market performance during the reporting period. In addition, some provinces used a conservative approach to target setting.
- c. Active Claimants Served exceeded the established target as a result of an increase in the number of regular claims established when compared to the previous year. This increase relates to improved data capture and a change to Employment Group Services which acted to increase the number of active EI claimants served. In addition, some provinces used a conservative approach to target setting.

Of the thirteen formative evaluations scheduled to take place, twelve are completed. A formative/summative evaluation of the Nunavut LMDA is underway and planned for completion by fiscal 2004-2005. Summative evaluations of the LMDAs, which will provide reliable and valid information concerning a program's impacts and effectiveness, are near completion in three provinces, namely British Columbia, Newfoundland and Labrador, and Quebec (in Quebec, the province is leading the evaluation, in consultation with HRSDC). General findings of these studies will be published in the 2003 Employment Insurance Monitoring and Assessment Report. Summative evaluations are well underway in Ontario, Alberta, and Saskatchewan. Findings for these evaluations will be due in fiscal 2004-2005. The process will be launched in the Northwest Territories and the Yukon in early 2004. The remaining provinces/territories have begun early discussions and hope to have completed evaluations by 2005.

The Medium-Term Indicator (MTI) pilot project has completed a first phase in British Columbia. The MTI pilot is designed to test the feasibility of using operational data to monitor and report on EBSM effectiveness on an ongoing basis. Preliminary findings of this project will also be reported in the Monitoring and Assessment Report. A second pilot project has commenced in Alberta. This project continues to support the department's commitment to monitor and report upon the effectiveness of EBSM programs delivered under the LMDAs.

Annex 11: Loans (Non Budgetary)

Loans (Non Budgetary)				
	Authority (Restated) ^a	Planned Spending ^b		
(millions of dollars)	2003-2004	2004-2005	2005-2006	2006-2007
Learning				
Loans disbursed under the <i>Canada Student Financial Assistance Act</i>	1,374.1	1,254.7	1,130.2	892.0
Total	1,374.1	1,254.7	1,130.2	892.0

a. Restated authority as a result of December 12, 2003 restructure of HRDC into SDC and HRSDC.

b. The reduction in the planned spending for the loans is due to the impact of loan reimbursements from borrowers on the loan portfolio.

Annex 12: Consolidated Report on Canada Student Loans

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.^a

This meant that the Program had to redesign the delivery mechanism in order to directly finance student loans. In the new arrangement, the Government of Canada provides the necessary funding to students and two service providers have contracts to administer the loans.

It also meant that the Program had to enter into interim contracts with the former risk-shared loan lenders in order to ensure uninterrupted delivery of federal student financial assistance until the Direct Loans program could be fully implemented. These contracts ended February 28, 2001.

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 in the 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 accounting policies and concepts generally accepted in Canada 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 Skills Development Canada (HRSDC) and the Government.

- **Interest Revenue on Direct Loans** – Student 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 amounts in 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.
- **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 amounts in 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 twelve 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

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

repayments. The amount paid is set at 5% of the value of the loans in question. The recoveries amounts in the figures represent the recovery of principal and interest on these loans.

Canada Study Grants

Canada Study Grants improve access to post-secondary education by providing non-repayable financial assistance to post-secondary students with particularly high levels of need. Five types of 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 annually); (3) high-need part-time students (up to \$1,200 annually); (4) women in certain fields of Ph.D. studies (up to \$3,000 annually for up to three years); and (5) high-need students with permanent disabilities (up to \$2,000 annually).

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 reimbursed 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.

Interim Arrangements

As noted in the introduction to this section, interim contracts were entered into with the former risk-shared loan lenders to disburse full-time Direct Loans on the government's behalf until February 28, 2001. At that time, the government reimbursed the lenders 85% of the loan principal they had advanced during the interim period. The remaining 15% was reimbursed to the lenders later. These contracts also called for remuneration in the form of transaction fees and the interest on funds advanced on behalf of the government. Another contract was entered into with Canada Post for the delivery of Direct Loans to part-time students. The Interest Cost to Financial Institutions (Interim) and Transition fees to Financial Institutions (Interim) items identify the cost of these interim arrangements.

- **Interest Cost to Financial Institutions (Interim)** – This expense represents the interest costs, calculated at prime, paid by CSLP on a monthly basis to the lending institutions on the outstanding advances made to full-time students with Direct Loans.
- **Transition Fees to Financial Institutions (Interim)** – This expense represents the cost of transaction fees paid by CSLP during the interim period for each fully completed full-time loan made to the student by the participating lending institutions. Transition fees also include payments made to Canada Post for each fully completed part-time loan made during the interim period. The cost is calculated on the basis of certificates of eligibility negotiated by the student.

Service Bureau Costs

As of March 1, 2001, CSLP uses third party service providers to administer Direct Loans disbursement, in-study loan management and post-studies repayment activities. 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 was 5% of the value of loans being consolidated (normally the value of loans issued to students), being calculated and paid at the time students leave studies and go into repayment. In return, the lenders assumed 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 twelve 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 participating provinces and Yukon 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.

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 amounts in the figures represent the cost attributed to CSLP in support of Direct Loans while students are considered in study status.

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 amounts in the figures represent the cost of interest while students are in repayment of their Canada Student Loans.

In-Study Interest Subsidy

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

Interest Relief

Assistance may be provided to cover loan interest for up to 54 months for borrowers who have difficulty 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. For loans issued after August 1, 2000, an interest relief expense is recorded to offset the accrued interest on direct loans.

Debt Reduction in Repayment

Debt Reduction in Repayment (DRR) assists borrowers in severe financial hardship. DRR is a federal repayment assistance program through which the Government of Canada reduces a qualifying student's outstanding Canada Student Loans principal to an affordable amount after all other interest relief measures are exhausted. The maximum amount of the reduction is \$10,000 or 50% of the loan principal, whichever is less. 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., lenders claim any amount of principal and interest not repaid in full, after which

the department of Social Development Canada's Collection Services will attempt to recover these amounts).^b 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 amounts in 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

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.

Commitments

As at March 31, 2004 the department had the following commitments for Service Provider contracts: \$76.6 million. The current end date for the Service Provider contracts is February 28, 2005.

^b An announcement was made on December 12, 2003 which split Human Resources Development Canada into two new departments – Human Resources and Skills Development Canada and Social Development Canada (SDC). It was subsequently determined that collection services would be shared between the two departments and housed in SDC.

Consolidated Canada Student Loans Programs – Financial Tables

Consolidated CSL Programs – Combined Programs						
(millions of dollars)	Actual		Actual	Planned Spending^e		
	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Revenues						
Interest Revenue on Direct Loans	44.2	103.9	174.3	226.8	308.6	390.9
Recoveries on Guaranteed Loans	123.7	111.1	91.3	93.5	84.7	75.6
Recoveries on Put-Back Loans	4.2	7.7	9.6	12.5	16.3	21.4
Total Revenues	172.1	222.7	275.2	332.8	409.6	487.9
Expenses						
<i>Transfer Payments</i>						
Canada Study Grants	69.7	54.5	66.8	79.8	126.4	131.2
Total Transfer Payments	69.7	54.5	66.8	79.8	126.4	131.2
<i>Loan Administration</i>						
Collection Costs	14.3	12.8	13.4	12.5	13.7	14.5
Interim Arrangements						
- Interest Costs to Financial Institutions	13.7	0.0	0.0	0.0	0.0	0.0
- Transition Fees to Financial Institutions	0.3	0.0	0.0	0.0	0.0	0.0
Service Bureau Costs	27.9	41.2	41.0	83.3	104.0	127.3
Risk Premium	51.0	23.0	11.7	10.6	6.5	3.7
Put-Back	2.7	5.8	4.3	13.0	15.4	18.6
Administrative Fees to Provinces and Territories	9.0	8.4	8.8	9.6	15.6	15.6
Total Loan Administration Expenses	118.9	91.3	79.2	129.0	155.2	179.7
<i>Cost of Government Support</i>						
<i>Benefits Provided to Students</i>						
In-Study Interest Borrowing Expense (Class A) ^a	105.7	138.6	148.6	163.9	176.7	185.4
In Repayment Interest Borrowing Expense (Class B) ^a	12.7	41.3	68.1	140.2	189.2	239.9
In-Study Interest Subsidy	77.8	39.8	27.4	14.1	6.9	2.7
Interest Relief ^b	86.5	74.6	73.8	54.4	63.2	67.3
Debt Reduction in Repayment	4.2	7.4	10.7	8.7	9.8	11.1
Claims Paid & Loans Forgiven	76.0	40.7	34.8	24.0	16.1	11.5
<i>Bad Debt Expense^c</i>						
Debt Reduction in Repayment Expense	10.6	10.8	11.5	12.0	12.1	12.0
Bad Debt Expense	171.4	175.7	193.3	194.3	195.0	194.0
Total Cost of Government Support Expenses	544.9	529.0	568.2	611.6	669.0	723.9
Total Expenses	733.5	674.7	714.2	820.4	950.6	1,034.8
Net Operating Results	561.4	451.9	439.0	487.6	541.0	546.9
Alternative Payments to Non-Participating Provinces ^d	144.9	76.0	244.8	127.2	132.9	137.2
Final Operating Results	706.3	527.9	683.8	614.8	673.9	684.1

- a These costs are related to Canada Student Direct Loans but reported by the Department of Finance.
- b The 2001-2002 and 2002-2003 actuals are restated to reflect the change of valuation accounting method of the Interest Relief allowance.
- 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 2002-2003 has been revised (from \$173.8M to \$175.7M) to include the expense against the Provision on Outstanding Interest on Impaired Loans, which is in accordance with the Actuarial Report on CSLP.
- d For 2003-2004, the total amount disbursed as Alternative Payments is \$160.0M only. Starting in 2003-2004, the corresponding accrual (\$84.8M) is now recorded at the departmental level instead, as in the past, being recorded centrally. This change in methodology explains the increase of the expenditure shown for that fiscal year.
- e The 2005-06 and 2006-07 planned spending figures include the incremental costs related to the Budget 2004 announcements, which measures are expected to be effective August 1, 2005.

Consolidated CSL Programs – Risk Shared and Guaranteed Loans Only						
	Actual		Actual	Planned Spending		
(millions of dollars)	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Revenue						
Recoveries on Guaranteed Loans	123.7	111.1	91.3	93.5	84.7	75.6
Recoveries on Put-Back Loans	4.2	7.7	9.6	12.5	16.3	21.4
Total Revenues	127.9	118.8	100.9	106.0	101.0	97.0
Expenses						
<i>Transfer Payments</i>						
Canada Study Grants	N/A	N/A	N/A	N/A	N/A	N/A
Total Transfer Payments	0.0	0.0	0.0	0.0	0.0	0.0
<i>Loan Administration</i>						
Collection Costs	14.3	12.0	9.3	9.0	8.6	8.2
Risk Premium	51.0	23.0	11.7	10.6	6.5	3.7
Put-Back	2.7	5.8	4.3	13.0	15.4	18.6
Administrative Fees to Provinces and Territories	0.0	0.0	0.0	0.0	0.0	0.0
Total Loan Administration Expenses	68.0	40.8	25.3	32.6	30.5	30.5
<i>Cost of Government Support</i>						
<i>Benefits Provided to Students</i>						
In-Study Interest Subsidy	77.8	39.8	27.4	14.1	6.9	2.7
Interest Relief	85.6	65.3	53.8	27.0	20.4	12.2
Debt Reduction in Repayment	4.2	7.4	10.7	8.7	9.8	11.1
Claims Paid & Loans Forgiven	76.0	40.0	33.3	21.4	12.6	7.0
Total Cost of Government Support Expenses	243.6	152.6	125.2	71.2	49.7	33.0
Total Expenses	311.6	193.4	150.5	103.8	80.2	63.5
Net Statutory Operating Results	183.7	74.6	49.6	(2.2)	(20.8)	(33.5)
Alternative Payments to Non-Participating Provinces	110.0	0.0	0.0	0.0	0.0	0.0
Final Statutory Operating Results	293.7	74.6	49.6	(2.2)	(20.8)	(33.5)

Consolidated CSL Programs – Direct Loans Only

(millions of dollars)	Actual		Actual	Planned Spending ^e		
	2001-2002	2002-2003	2003-2004	2004-2005	2005-2006	2006-2007
Revenue						
Interest Revenue on Direct Loans	44.2	103.9	174.3	226.8	308.6	390.9
Total Revenue	44.2	103.9	174.3	226.8	308.6	390.9
Expenses						
<i>Transfer Payments</i>						
Canada Study Grants	69.7	54.5	66.8	79.8	126.4	131.2
Total Transfer Payments	69.7	54.5	66.8	79.8	126.4	131.2
<i>Loan Administration</i>						
Collection Costs	0.0	0.8	4.1	3.5	5.1	6.3
Interim Arrangements						
- Interest Costs to Financial Institutions	13.7	0.0	0.0	0.0	0.0	0.0
- Transition Fees to Financial Institutions	0.3	0.0	0.0	0.0	0.0	0.0
Service Bureau Costs	27.9	41.2	41.0	83.3	104.0	127.3
Administrative Fees to Provinces and Territories	9.0	8.4	8.8	9.6	15.6	15.6
Total Loan Administration Expenses	50.9	50.5	53.9	96.4	124.7	149.2
<i>Cost of Government Support</i>						
<i>Benefits Provided to Students</i>						
In-Study Interest Borrowing Expense (Class A) ^a	105.7	138.6	148.6	163.9	176.7	185.4
In Repayment Interest Borrowing Expense (Class B) ^a	12.7	41.3	68.1	140.2	189.2	239.9
Interest Relief ^b	0.9	9.3	20.0	27.4	42.8	55.1
Claim Payments and Loans Forgiven	-	0.7	1.5	2.6	3.5	4.5
<i>Bad Debt Expense ^c</i>						
Debt Reduction in Repayment Expense	10.6	10.8	11.5	12.0	12.1	12.0
Bad Debt Expense	171.4	175.7	193.3	194.3	195.0	194.0
Total Cost of Government Support Expenses	301.3	376.3	443.0	540.4	619.3	690.9
Total Expenses	421.9	481.3	563.7	716.6	870.4	971.3
Net Operating Results	377.7	377.4	389.4	489.8	561.8	580.4
Alternative Payments to Non-Participating Provinces ^d	34.9	76.0	244.8	127.2	132.9	137.2
Final Operating Results	412.6	453.4	634.2	617.0	694.7	717.6

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

b The 2001-2002 and 2002-2003 actuals are restated to reflect the change of valuation accounting method of the Interest Relief allowance.

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 2002-2003 has been revised (from \$173.8M to \$175.7M) to include the expense against the Provision on Outstanding Interest on Impaired Loans, which is in accordance with the Actuarial Report on CSLP.

d For 2003-2004, the total amount disbursed as Alternative Payments is \$160.0M only. Starting in 2003-2004, the corresponding accrual (\$84.8M) is now recorded at the departmental level instead, as in the past, being recorded centrally. This change in methodology explains the increase of the expenditure shown for that fiscal year.

e The 2005-2006 and 2006-2007 planned spending figures include the incremental costs related to the Budget 2004 announcements, which measures are expected to be effective August 1, 2005.

Annex 13: Major Regulatory Initiatives

Strategic Outcome: Efficient and Effective Income Support and Labour Market Transitions	
Regulations	Planned Results
Employment Insurance (EI) Regulation 89 - Social Insurance Number (SIN)	<ul style="list-style-type: none"> By December 2004, an amendment to EI Regulation 89 to recognize the use of 900-series SIN for purposes of the payment of EI benefits to which claimants are legally entitled, despite being out of Canada.
Employment Insurance Regulations 79 and 85(2) -Appeals to Boards of Referees and to the Umpire	<ul style="list-style-type: none"> By March 2005, an amendment to EI Regulations 79 and 85(2) to allow appeals to Boards of Referees and to the Umpire to be filed in locations other than the HRSDC local offices that issue the decision being appealed.
New EI Regulation 55.1 – PIPEDA and EI voluntary verification programs.	<ul style="list-style-type: none"> By October 2004, an addition to the EI regulation to reflect the impact of PIPEDA on requests sent to employers for personal information on employees for purposes of EI voluntary verification programs.
EI Collection of Premiums Regulation 10 Impact of Tax Court decision in the case of an appellant, Ms. Mulvena on the insurability of payments under employer paid Supplemental Unemployment Benefit Plans (SUB).	<ul style="list-style-type: none"> By March 2005, an amendment to EI Collection of Premiums Regulation 10 to more clearly state the, long-understood, exemption of employer SUB payments from earnings to be considered insurable earnings.
<i>Modernization of Benefits and Obligations Act</i>	<ul style="list-style-type: none"> By March 2005, the EI Regulations will be amended so that parental benefits can be made available to common-law couples where one adopts the child of the other (step-parents adoptions) whether the couple are common-law partners of the opposite sex or same sex.

**Strategic Outcome:
Through Access to Learning, Canadians Can Participate Fully in a Knowledge-Based Economy and Society**

Regulations	Planned Results
<p><u>Debt Reduction in Repayment</u></p> <p>Debt Reduction in Repayment (DRR) is a debt management measure which provides students who are experiencing long-term financial difficulty in repaying their student loans with a reduction in loan principal. The 2004 Federal Budget announced an increase in the total amount available for reduction under DRR from \$20,000 to \$26,000.</p> <p>Amendments to the <i>Canada Student Financial Assistance Regulations</i> and the <i>Canada Student Loans Regulations</i> are required to implement this announcement.</p>	<ul style="list-style-type: none"> • To provide more assistance for borrowers who are experiencing exceptional long-term financial difficulties in repaying their student loans. • To coincide with increased loan limits announced in the 2004 Federal Budget.
<p><u>Weekly Loan Limits</u></p> <p>The 2004 Federal Budget announced an increase in federal weekly loan limits under the Canada Student Loans Program, from the current \$165 per week to \$210 per week. An amendment to section 10 of the <i>Canada Student Financial Assistance Regulations</i> is required to implement this announcement.</p>	<ul style="list-style-type: none"> • 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.
<p><u>Canada Education Savings Grant</u></p> <p>The Canada Education Savings Grant is a 20% matching grant paid on education savings made in a registered education savings plan for a child under 18. The 2004 Federal Budget announced increases to the match rate on the first \$500 of annual savings to 40% for low-income families and to 30% for middle income families.</p> <p>Amendments to the <i>Canada Education Savings Grant Regulations</i> are required to implement this announcement. They are likely to be combined with new regulations for the Canada Learning Bond (below).</p>	<ul style="list-style-type: none"> • To strengthen assistance for low and middle income families that wish to save for their children's post-secondary education.
<p><u>Canada Learning Bond</u></p> <p>The Canada Learning Bond is a new initiative announced in the 2004 Federal Budget which provides up to \$2,000 of education savings over 16 years for low-income families. New regulations will be required to implement this announcement. They will likely be combined with the <i>Canada Education Savings Grant Regulations</i> above.</p>	<ul style="list-style-type: none"> • To ensure a guaranteed source of savings for the post-secondary education of children from low-income families.

Regulations	Planned Results
<p><u>New Canada Study Grant</u></p> <p>The 2004 Federal Budget announced that the Canada Student Loans Program would provide a new non-repayable grant for first-time, first-year students from low-income families who are entering post-secondary education. Regulatory amendments to Part VI of the <i>Canada Student Financial Assistance Regulations</i> are required in order to introduce this new grant.</p>	<ul style="list-style-type: none"> • 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.
<p><u>Canada Study Grant for High-need Students with Permanent Disabilities</u></p> <p>The 2004 Federal Budget announced that 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>Regulatory amendments to the <i>Canada Student Financial Assistance Regulations</i> are required in order to introduce this new grant.</p>	<ul style="list-style-type: none"> • The new access grant for post-secondary students with permanent disabilities 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><u>Provincial Allocation Formula for Canada Study Grants</u></p> <p>Regulatory amendments to the <i>Canada Student Financial Assistance Regulations</i> are required to amend the provincial allocation formula for funding Canada Study Grants.</p>	<ul style="list-style-type: none"> • Ensure that adequate funding is available to the provinces for the provision of Canada Study Grants to eligible students.
<p><u>Harmonization Activities for Integration Agreements</u></p> <p>Regulatory amendments to the Canada Student Financial Assistance Regulations are required to harmonize across all loan regimes Permanent Disability Benefit criteria, recognition of provincial restrictions, providing more flexibility on time frames to confirm enrolment and adjusting the requirement for prescribed documents.</p>	<ul style="list-style-type: none"> • These measures will assist in simplifying the administrative requirements for borrowers and will lead to a better understanding of their loan obligations and responsibilities.

Strategic Outcome: Safe, Healthy, Fair, Stable, Cooperative and Productive Workplaces	
Regulations	Planned Results
<i>Canada Labour Code, Part II – Canada Occupational Health and Safety Regulations (COHSR).</i> 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.
<i>Canada Labour Code, Part II – Canada Occupational Health and Safety Regulations.</i> Prevention Program 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 for a prescribed program for the prevention of hazards in the workplace.
<i>Canada Labour Code, Part II – Canada Occupational Health and Safety Regulations.</i> 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 make regulations to prescribe ergonomics standards in workplaces.
<i>Canada Labour Code, Part II – Safety and Health Committees and Representatives Regulations.</i> 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.
<i>Canada Labour Code, Part II – Aviation Occupational Safety and Health Regulations.</i> 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.
<i>Canada Labour Code, Part II – Onboard Trains Occupational Safety and Health Regulations.</i> 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.
<i>Canada Labour Code, Part II – Marine Occupational Safety and Health Regulations.</i> 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.
<i>Canada Labour Code, Part II – Oil and Gas Occupational Safety and Health Regulations.</i> 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.

Regulations	Planned Results
<i>Employment Equity Act -- Employment Equity Regulations.</i>	<p>In the process of updating and making consequential changes that will:</p> <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).
Statutory Instrument: Minister of Labour will be asked to make a Ministerial Order pursuant to the <i>Personal Information Protection and Electronic Documents Act</i> .	Following the Ministerial Order amending Schedule 2 of that Act, a federally-regulated employer will be authorized to issue to employees a pay statement using electronic means.
<i>Canada Labour Code, Part III – Canada Labour Standards Regulations.</i>	Following the regulatory amendment, Bell Canada and Canadian Pacific Limited will have their own distinct lists of industrial establishments for the purpose of group termination.

Annex 14: Horizontal Initiatives

Human Resources and Skills Development Canada is the lead on the following horizontal initiatives. A Horizontal Results Database detailing each initiative is available at the following internet address:
http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/profil_e.asp

- Aboriginal Human Resources Development Strategy
- Aboriginal Skills and Employment Partnership Program
- Youth Employment Strategy
- Labour Market Development Agreements
- Sector Council Program
- Foreign Credential Recognition
- Older Workers Pilot Projects Initiative
- Canada Student Loans Program
- National Literacy Program
- National Homelessness Initiative
- Service Canada
- Toronto Waterfront Revitalization Initiative

Website References

HRSDC Website

<http://www.hrsdc-rhdcc.gc.ca>

The Honourable Joseph Volpe, P.C., M.P.

Minister of Human Resources and Skills Development Canada

<http://www1.hrsdc.gc.ca/menu/home.shtml>

The Honourable Joseph Frank Fontana

Minister of Labour and Housing

<http://www.pm.gc.ca/eng/bio.asp?id=29>

The Honourable Claudette Bradshaw

Minister of State (Human Resources Development)

<http://www.pm.gc.ca/eng/bio.asp?id=20>

Acts and Regulations Governing Human Resources and Skills Development Canada and Social Development Canada

<http://www.hrsdc.gc.ca/en/cs/fas/as/contact/acts.shtml>

HRSDC Overview

- Speech from the Throne, February 2, 2004
<http://www.news.gc.ca/cfm/CCP/view/en/index.cfm?articleid=76349&categoryid=4>
- The Budget Speech 2004
<http://www.fin.gc.ca/budget04/speech/speeche.htm>
- Statistics Canada, The Daily, October 30, 2002
- HRSDC Programs and Services
http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/ps.shtml
- About HRSDC
http://www.hrsdc.gc.ca/en/cs/comm/hrsd/about_us.shtml

Efficient and Effective Income Support and Labour Market Transitions

- Employment Insurance Benefits
http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/ei.shtml
- Employment Benefits and Support Measures
http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/gc.shtml
- Labour Market Development Agreements
http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/hrdb-rhbd/h004_e.asp
- Aboriginal Human Resources Development Strategy
<http://www17.hrdc-drhc.gc.ca/ARO-BRA/ARO.cfm>
http://www.socialunion.gc.ca/ecd_e.html
http://www.hc-sc.gc.ca/english/media/releases/2002/2002_72bk.htm
- Aboriginal Skills and Employment Partnerships
<http://www17.hrdc-drhc.gc.ca/ARO-BRA/ARO.cfm>
- Youth Employment Strategy
<http://www.youth.gc.ca>
- Official Language Minority Communities
http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/solmc.shtml
- Work Sharing
http://www.hrsdc-rhdcc.gc.ca/en/epb/sid/cia/grants/ws/desc_ws.shtml

Enhanced Competitiveness of Canadian Workplaces by Supporting Investment in and Recognition and Utilization of Skills

- The Sector Council Program
http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/spi.shtml
- National Occupation Classification
<http://www23.hrdc-drhc.gc.ca/2001/e/generic/welcome.shtml>
- Apprenticeship and Labour Mobility Initiatives
http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/almi.shtml
- The Foreign Worker Program
http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/fw.shtml
- Labour Market Information
http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/lmi.shtml

Through Access to Learning, Canadians Can Participate Fully in a Knowledge-Based Economy and Society

- Student Financial Assistance (Canada Student Loans Program)
<http://www.hrsdc.gc.ca/en/gateways/topics/cxp-gxr.shtml>
<http://www.canlearn.ca>
- Canada Education Savings Grant
<http://www.hrsdc.gc.ca/en/gateways/topics/cgs-gxr.shtml>
- National Literacy Program
<http://www.hrsdc.gc.ca/en/gateways/topics/lxa-gxr.shtml>
- Learning Initiatives Program
<http://www.hrsdc.gc.ca/en/gateways/topics/lxi-gxr.shtml>
- International Academic Mobility
http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/iam.shtml
- Office of Learning Technologies
http://www.hrsdc.gc.ca/en/hip/lld/olt/01_index.shtml

Safe, Healthy, Fair, Stable, Cooperative and Productive Workplaces

- The Federal Mediation and Conciliation Service
<http://www.hrsdc.gc.ca/asp/gateway.asp?hr=/en/lp/fmcs/02About.shtml&hs=mxm>
- National Labour Operations
http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/program/labour.shtml
- International Labour Affairs
<http://www.hrsdc.gc.ca/en/gateways/business/cluster/category/ilaa.shtml>
- Work-life Balance and Ageing Workforce
<http://www.hrsdc.gc.ca/en/gateways/topics/wnc-gxr.shtml>

Enhanced Community Capacity to Contribute to the Reduction of Homelessness

- The National Homelessness Initiative
http://www.homelessness.gc.ca/home/index_e.asp

Questions and Public Enquiries

If you have questions about departmental programs and services, you may contact your nearest Human Resource Centre of Canada office listed in the Government of Canada pages of the telephone book or through the HRSDC website at http://www.hrsdc.gc.ca/en/gateways/nav/top_nav/our_offices.shtml.

To obtain HRSDC publications, please contact the Public Enquiries Centre at http://www.hrsdc.gc.ca/en/gateways/nav/left_nav/publications.shtml

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