

Human Resources and Skills Development Canada

2009 – 2010 Estimates

Report on Plans and Priorities



Table of Contents

5 Ministers' Messages

11 Section I Departmental Overview

- 12 1.1 Introduction
- 12 1.2 Raison d'être and Responsibilities
- 13 1.3 Program Activity Architecture
- 15 1.4 Strategic Outcomes
- 16 1.5 Planning Summary
- 20 1.6 Socio-economic Context, Risks and Departmental Priorities
- 23 1.7 Expenditure Profile
- 25 1.8 Voted and Statutory Items Displayed in the Main Estimates

27 Section II Analysis of Program Activities by Strategic Outcome

- 28 2.1 A skilled, adaptable and inclusive labour force and an efficient labour market
 - 28 2.1.1 Program Activity: Skills and Employment
 - 30 2.1.2 Program Activity: Learning
- 32 2.2 Safe, fair and productive workplaces and cooperative workplace relations
 - 32 2.2.1 Program Activity: Labour
- 34 2.3 Income security, access to opportunities and well-being for individuals, families and communities
 - 34 2.3.1 Program Activity: Income Security
 - 35 2.3.2 Program Activity: Social Development
- 37 2.4 Service excellence for Canadians
 - 37 2.4.1 Program Activity: Citizen-Centred Service
 - 38 2.4.2 Program Activity: Integrity and Processing
- 40 2.5 Program Activity: Internal Services

41 Section III Supplementary Information

- 42 3.1 List of Supplementary Information Tables
- 43 3.2 Specified Purpose Accounts
 - 43 Employment Insurance Account
 - 45 Canada Pension Plan
 - 46 Government Annuities Account
 - 47 Civil Service Insurance Fund
- 48 3.3 Employment Insurance Part II
- 49 3.4 Consolidated Report on Canada Student Loans
- 51 3.5 Other Items of Interest
- 52 3.6 Organizational Structure
- 53 3.7 Website References

Ministers' Messages

Message from the Minister of Human Resources and Skills Development



The

The 2009–2010 Report on Plans and Priorities for Human Resources and Skills Development Canada (HRSDC) presents the Department's key priorities to support Canadians in these difficult economic times. Our goal is to help Canadian businesses, workers and families succeed, so that Canada emerges from the global recession stronger than ever before.

The Government of Canada truly understands the pressures faced by Canadians. That is why we introduced Canada's Economic Action Plan which will temporarily invest an unprecedented \$8.3 billion in the Canada Skills and Transition Strategy. This two-year strategy will help Canadians, unemployed workers and their families with income support and enhanced training opportunities.

As part of this Strategy, we want to ensure income support for unemployed workers while they secure new jobs. We will provide enhancements to Employment Insurance (EI), including extending five extra weeks of benefits, which is now only available in some regions, to all Canadians. We will make a significant investment to facilitate re-employment and encourage training among unemployed, long-tenured workers. We will extend the Work-Sharing program to a maximum of 52 weeks and relax eligibility criteria. We will freeze EI premium rates for 2010 at the same rates as for 2009. An expert panel will be established to consult Canadians on access to EI maternity and parental benefits for the self-employed.

With the right training, people can get good jobs and have better opportunities for themselves, their families and their future. Significantly increasing funding to provinces and territories will allow more Canadians to access the training and skills upgrading they need to land the jobs of the future. We are also proposing additional investments to train and support Aboriginal peoples, older workers, apprentices and foreign-trained workers. Additional funding for the Canada Summer Jobs program and the creation of a grant to YMCA and YWCA for youth internships in the not-for profit and community services sector will provide more valuable job opportunities.

We will also continue to assist families with the cost of raising their children by extending the eligibility for the National Child Benefit Supplement and the Canada Child Tax Benefit. As well, the new Registered Disability Savings Plan helps parents and others set aside funds today to financially support a child with a severe disability when they are no longer able to provide support. To further help individuals, the Working Income Tax Benefit provides income support to low-income working Canadians, and Canada's Economic Action Plan proposes to effectively double the tax relief.

Timely and effective delivery of benefits to support Canadians and their families is a top priority throughout the coming year. HRSDC/Service Canada serves more than 32 million Canadians through over 600 points of service, a national network of 15 specialized call centres, and online capabilities available through our website.

As Minister, I want to help protect the jobs of today, while preparing Canadians for the jobs of tomorrow. I know that my Department is committed to these goals. We are here to help Canadians build a better future for themselves, their families, and their communities.

A handwritten signature in black ink, reading "Diane Finley". The signature is written in a cursive, flowing style.

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

Message from the Minister of Labour



W

orkplaces are in a state of constant evolution, and never more so than during this period of global economic turbulence.

The Labour Program fosters safe, fair and productive workplaces and cooperative workplace relations through a wide range of activities. These include mediating resolutions to labour disputes, protecting workers' health and safety, ensuring compliance with minimum labour standards, applying fire safety requirements, promoting workplace diversity and employment equity, processing workers' compensation claims, negotiating sound international labour standards and agreements, and disseminating workplace information.

A key focus in the coming year will be to ensure that our programs are responsive to the global economic challenges facing Canadian employers and workers. As such, Budget 2009 announced the extension of the Wage Earner Protection Program, which guarantees timely payment of wages and vacation pay to workers whose employer becomes bankrupt or subject to a receivership, to include reimbursement of termination and severance pay owed to eligible employees.

In addition, we will position ourselves to handle potential increases in demand for our services, whether these increases stem from the global economic situation or the large number of collective agreements due to be re-negotiated in the coming year.

Cognizant of the structural challenges facing federally-regulated workplaces, we will also hold consultations with stakeholders aimed at achieving broad agreement on steps to modernize Part III of the *Canada Labour Code*.

Finally, we will continue to promote Canadian interests and values through the conclusion and implementation of international labour accords that advance basic workers' rights and protect Canadian businesses from unfair competition.

I look forward to working with employer and labour stakeholders, provincial and territorial colleagues, and international partners to ensure that labour legislation, policies, and programs help Canadians weather this global economic recession and emerge from it stronger than ever.

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

The Honourable Rona Ambrose, P.C., M.P.
Minister of Labour

Budget 2009 Announcements

The Government of Canada tabled the 2009 Budget on January 27, 2009, outlining its priorities for Canadians for the coming years. The Budget announcements are designed specifically to address the immediate needs created by the global economic downturn and also position Canada for a return to prosperity in the future.

A key pillar of the Government's plan as set forth in the Budget is the **Canada Skills and Transition Strategy**. The Strategy will provide a major financial investment in a range of initiatives to help Canadians weather today's economic storm, and provide them with the necessary training to prosper in tomorrow's economy. The following elements outline the key aspects of this strategy as they pertain to Human Resources and Skills Development Canada.

Strengthening Benefits for Canadian Workers

Budget 2009 will support Canadian workers affected by the global economic downturn over the next two years by:

- Extending EI benefits by making available nationally, five weeks of additional benefits currently available only in pilot project regions and increasing the maximum benefit duration to 50 weeks from 45 weeks.
- Introducing a pilot project to extend EI income benefits for up to two years for long-tenured workers participating in longer-term training.
- Allowing earlier access to EI benefits for workers who have received severance packages, if they use some or all of that severance to purchase skills upgrading or training for themselves.
- Extending the duration of work-sharing agreements by 14 weeks, to a maximum of 52 weeks, so more Canadians can continue working.
- Extending the Wage Earner Protection Program to cover severance and termination pay owed to eligible workers impacted by employers' bankruptcy.
- Establishing an expert panel to consult Canadians on how to best provide self-employed Canadians with access to EI maternity and parental benefits.

Enhancing the Availability of Training

Budget 2009 will create more and better opportunities for Canadian workers through skills development by:

- Increasing funding for training delivered by provinces and territories through the Employment Insurance program by \$1B over two years.
- Investing \$500M over two years in a Strategic Training and Transition Fund to help ensure Canadians impacted by the downturn, whether they are EI eligible or not, have access to training and other assistance they need.
- Providing \$20M to the Youth Employment Strategy (Canada Summer Jobs) over two years to help young Canadians find summer jobs. In addition, a one-time grant of \$15M will be created to place youth interns in not-for-profit and community service organizations.
- Supporting older workers and their families with an additional \$60M over three years for the Targeted Initiative for Older Workers and expanding it to include workers in a larger number of communities.
- Responding to skilled labour shortages with \$40M a year to launch the \$2,000 Apprenticeship Completion Grant.
- Providing \$50M over two years for a pan-Canadian foreign credential recognition framework in partnership with provinces and territories.
- Investing an additional \$100M over three years in the Aboriginal Skills and Employment Partnership initiative will support up to 25 new projects which will result in up to 6,000 jobs for Aboriginal people.
- Investing \$75M in a two-year Aboriginal Skills and Training Strategic Investment Fund – an important step toward implementing a partnership and results based successor to the Aboriginal Human Resources Development Strategy.

Keeping Employment Insurance Rates Frozen

- Freezing EI premium rates at \$1.73 per \$100 for both 2009 and 2010 — their lowest level since 1982 — a projected \$4.5B stimulus relative to break-even rates.

HRSDC is also implicated in Tax Relief for Canadians. Budget 2009 will deliver personal income tax relief through Finance Canada over 2008–2009 and the next five fiscal years. Effective January 1, 2009, this includes:

- Raising the level at which the National Child Benefit supplement for low-income families and the Canada Child Tax Benefit are phased out, providing a benefit of up to \$436 for a family with two children.
- Effectively doubling the tax relief provided by the Working Income Tax Benefit to encourage low-income Canadians to find and retain a job.

Section I Departmental Overview

Human Resources and Skills Development Canada

Departmental Overview

1.1 Introduction

The Report on Plans and Priorities is Human Resources and Skills Development Canada's key planning and priority document. It provides an overview of the work of the Department, the challenges it faces and the expected results for 2009–2010. It also summarizes planned expenditures and outlines performance measurement activities that the Department will use to demonstrate results to Canadians.

1.2 Raison d'être and Responsibilities

Human Resources and Social Development Canada was established in 2006 and was subsequently renamed Human Resources and Skills Development Canada (HRSDC) in 2008. The Department receives its authority through two acts; the *Department of Human Resources and Skills Development Act* and the *Department of Social Development Canada Act* (see section 3.5 for more details).

HRSDC is the federal department that is responsible for helping Canadians build a stronger and more competitive Canada. The Department also supports Canadians in making choices that help them live productive and rewarding lives. The ultimate goal of the Department is to improve the quality of life of all Canadians.

The Department has a broad mandate that is delivered through three business lines. These include policies and programs that support human resources and skills development, the delivery of Government of Canada programs and services to citizens through Service Canada, and the application of labour laws and policies in federally regulated workplaces through the Labour Program.

In addition to the activities of HRSDC, the Minister is also responsible for Canada Mortgage and Housing Corporation (which issues its own Annual Report). A Minister of State for Seniors ensures that seniors' issues are addressed by the Department.

HRSDC employs over 24,000 people to deliver a wide range of programs and services that touch the lives of Canadians throughout all stages of life. The Department's activities account for almost one out of every three dollars spent by the federal government.

The human resources, skills and social development policy and program responsibilities play an important role in ensuring that the Canadian economy remains competitive and productive, and that Canadians can fully participate in economic and social life across the country. The Department works with provinces, territories, partners and key stakeholders, to deliver results for Canadians. HRSDC delivers social policies, programs and benefits to ensure that children, families, seniors, people with disabilities, homeless people and those at risk of becoming homeless, communities and others facing social challenges have the support, knowledge, and information they need to maintain their well-being and facilitate their participation in society.

A key principle of excellence for the Department is achieving results for Canadians through engagement. Partners and stakeholders add value to finding innovative ways to develop and deliver the policies and programs that Canadians need.

The Labour Program focuses on some 1 million Canadians (about 9 percent of the workforce) who work in federally regulated industries such as telecommunications, air transportation, railways, ports, and postal and courier services. Employers and unions in these areas look to the Labour Program to facilitate constructive labour relations; to promote and protect workplace health and safety; and to provide customized information on industrial relations and collective bargaining. Individual employees in the federal jurisdiction also depend on Labour Program services – whether it is those who are dismissed or not properly paid their wages, or those who have no union to represent them. Internationally, the benefits of trade liberalisation are complemented by Labour Program activities to address the social dimensions of globalisation, including promoting respect for international labour standards, representing Canada in organizations dealing with labour issues, and

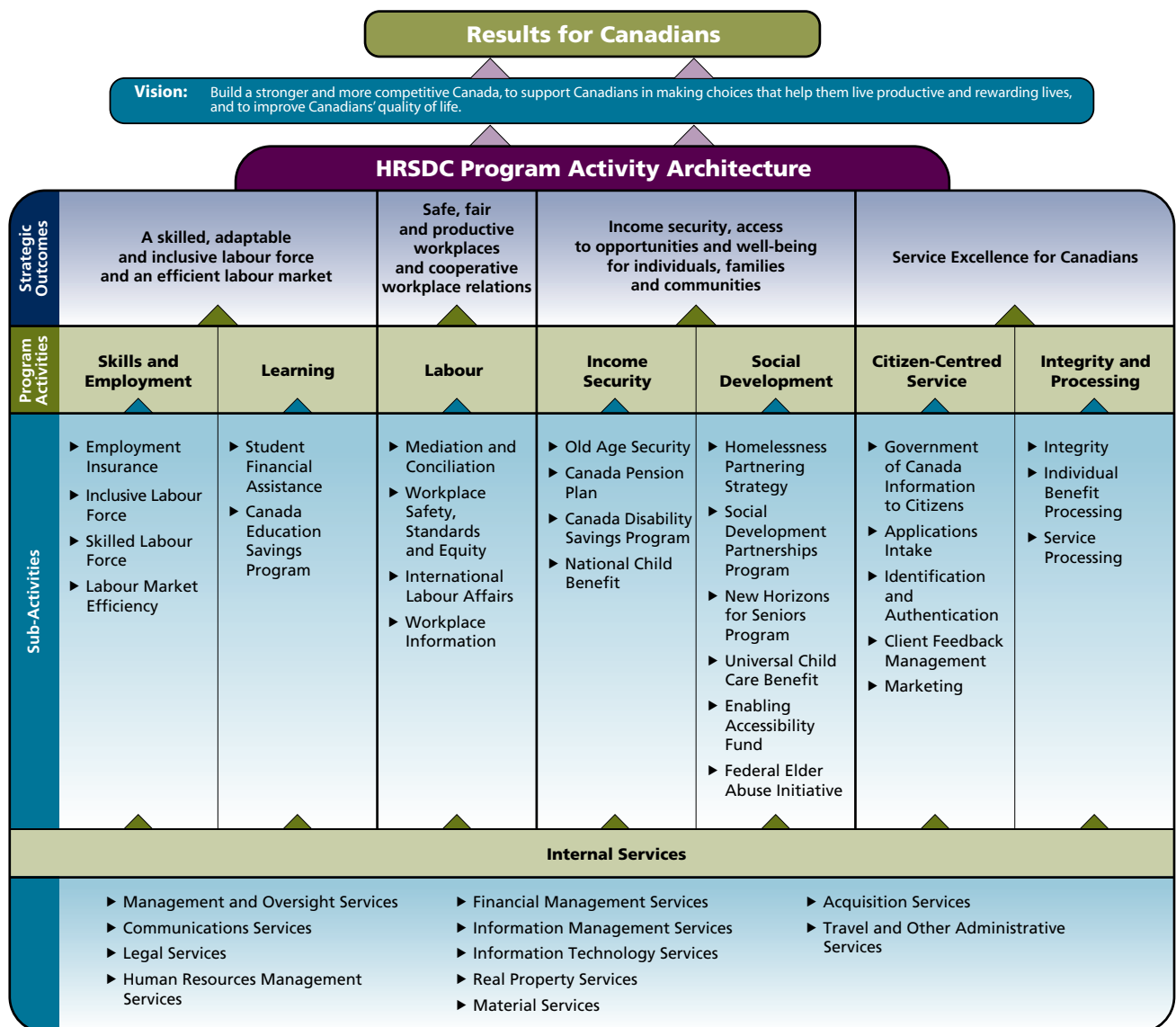
negotiating bilateral labour agreements and cooperative frameworks with partners on various continents.

Service Canada provides a seamless, integrated service delivery network that offers Canadians access to more than 70 government programs and services including Employment Insurance, the Canada Pension Plan, Old Age Security, Passport Receiving Agent Services and Social Insurance Number. It employs approximately 18,000 employees in the National Capital Region and across Canada. It is supported by regional offices, 110 processing sites and 15 call centres. Canadians can now access Government programs and services in person at more than

600 points of service across the country, by phone (1-800-O-Canada) or on-line through the Government of Canada website (www.Canada.gc.ca). Since its inception in 2005, Service Canada represents the single most fundamental reform in the Government's approach to delivering programs and services to citizens.

1.3 Program Activity Architecture

The Department's Program Activity Architecture is a representation of the programs offered by HRSDC and the results (Strategic Outcomes) that the



programs are designed to achieve for Canadians. The Program Activity Architecture also includes a Program Activity for services that are internal to the Department and are important in supporting the achievement of the Department's Strategic Outcomes.

The following table provides a crosswalk identifying changes between the 2008–2009 Program Activity Architecture and the 2009–2010 version.

Program Activity Architecture Crosswalk

Strategic Outcome		Program Activity	
2008–2009	2009–2010	2008–2009	2009–2010
Policies and programs that meet the human capital and social development needs of Canadians	Internal Services	Policy, Research and Communications	Internal Services
Enhanced Canadian productivity and participation through efficient and inclusive labour markets, competitive workplaces and access to learning	A skilled, adaptable and inclusive labour force and an efficient labour market	Labour Market	Skills and Employment
		Workplace Skills	
		Learning	Learning
Safe, healthy, fair, stable, cooperative, productive workplaces and effective international labour standards	Safe, fair and productive workplaces and cooperative workplace relations	Labour	Labour
Enhanced income security, access to opportunities and well-being for individuals, families and communities	Income security, access to opportunities and well-being for individuals, families and communities	Social Investment	Income Security
		Children and Families	Social Development
		Housing and Homelessness	
Achieve better outcomes for Canadians through Service Excellence	Service Excellence for Canadians	Seamless, Citizen-Centred Service	Citizen-Centred Service
		Integrity	Integrity and Processing
		Collaborative, Networked Government Service	Internal Services
Supports all Strategic Outcomes			Internal Services

1.4 Strategic Outcomes

1.4.1 A skilled, adaptable and inclusive labour force and an efficient labour market

A key component of building a stronger and more competitive Canada is a skilled labour force, able to adapt to the changing demands of the labour market. Reducing barriers to labour market participation and integration, as well as to post-secondary education, helps create a more inclusive labour force.

To this end, the Department provides a wide array of program offerings to achieve the Strategic Outcome, including programs that:

- provide temporary income support to eligible unemployed workers;
- increase skills development opportunities;
- reduce barriers to participation of under-represented groups in the labour force (Aboriginal people, older workers, people with disabilities, and other groups);
- reduce barriers to inter-provincial labour mobility;
- improve the recognition of foreign credentials;
- encourage Canadians to save for post-secondary education; and
- provide financial assistance to students.

Key to the Department's success in delivering these programs are collaborative relationships with businesses and labour representatives, provinces and territories, Canadian financial institutions, Aboriginal organizations and other stakeholders.

1.4.2 Safe, fair and productive workplaces and cooperative workplace relations

Safe, fair, productive workplaces and cooperative workplace relations are central to the well-being of individual Canadians and the economic prosperity of the country. The Department, through the Labour Program, develops and implements innovative policies and programs that respond to evolving workplace realities. Specifically, the Labour Program:

- provides mediation and conciliation services;
- promotes occupational health and safety;
- ensures respect for minimum labour standards;

- provides fire protection, equity and workers compensation services within the federal jurisdiction;
- develops labour legislation, regulations and policies to achieve an effective balance between workers' and employers' rights and responsibilities; and
- collects, analyzes and disseminates information on workplace practices and collective agreements.

The Labour Program also manages Canada's participation in international labour forums and negotiates and implements international labour agreements to advance Canada's interests and values abroad.

1.4.3 Income security, access to opportunities and well-being for individuals, families and communities

The Department is responsible for an array of programs that provide support to individuals, children, seniors, families and communities. In support of this Strategic Outcome, the Department's work includes:

- administering Canada's public pension system to ensure that Canadians are provided with retirement pensions, survivor pensions, disability benefits, as well as benefits for children;
- delivering various social programs for vulnerable Canadians, including support for homeless people and those at risk of becoming homeless, and programs for children, families, seniors, communities, and people with disabilities. These programs provide Canadians with the support, knowledge, information, and opportunities to move forward with their own solutions to social and economic challenges;
- ensuring children in low-income families get the best possible start in life; and
- promoting full participation of Canadians with disabilities in learning, work and community life.

1.4.4 Service Excellence for Canadians

Through the Service Canada Initiative, the Department provides Canadians with a single point of access to a range of information, services and benefits on behalf of the Department and other government departments and agencies. Service Canada's service delivery network provides Canadians with access to

more than 70 Government of Canada programs and services, which are accessible in person, at more than 600 points of service across the country, by phone (1-800-O-Canada), by mail and on-line at www.servicecanada.gc.ca.

Service Canada's commitment to service excellence is reflected in how well it is able to respond to the changing needs and expectations of individual Canadians, and by how efficiently and effectively it delivers services. Service Canada depends on research and the feedback of Canadians to improve its ability to provide the right services at the right time in the right way.

1.5 Planning Summary

For 2009–2010, the Department has planned expenditures on programs and services of more than \$94.7B. Of that amount, \$89.5B directly benefit Canadians through statutory transfer payment programs, such as Employment Insurance, Canada Pension Plan, Universal Child Care Benefit, Old Age Security, as well as loans disbursed under the *Canada Student Financial Assistance Act*.

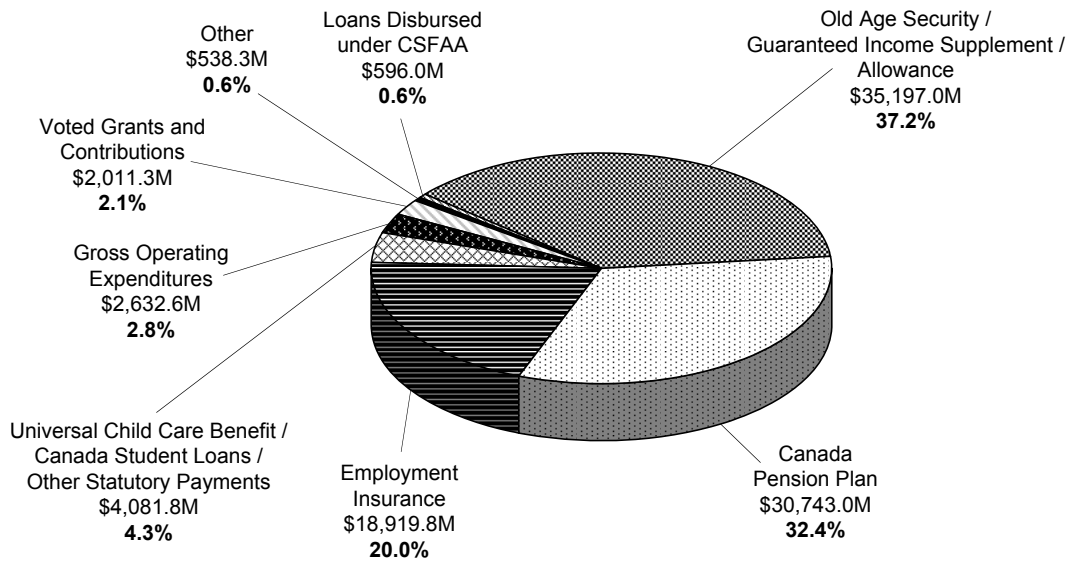
Financial Resources

	2009–2010	2010–2011	2011–2012
(\$ millions)	94,719.8	97,964.7	98,899.8

Human Resources

	2009–2010	2010–2011	2011–2012
Full-Time Equivalents (FTEs)	24,508	24,422	24,400

Consolidated Total \$94,719.8M



Human Resources and Skills Development Canada – Gross Expenditures (in millions of dollars)

Budgetary

Net Operating Costs		1,019.7
Add Recoveries in relation to:		
Canada Pension Plan	247.4	
Employment Insurance Account	1,249.6	
Workers' Compensation	102.5	
Other Government Departments	13.4	1,612.9
Gross Operating Costs		2,632.6
Voted Grants and Contributions		2,011.3

Total Gross Expenditures 4,643.9

Other – Workers' Compensation and EI/ CPP Charges and Recoveries 538.3

Non-Budgetary

Loans disbursed under *Canada Student Financial Assistance Act* (CSFAA) 596.0

Statutory Transfer Payments (in millions of dollars)

Grants and Contributions

Old Age Security	26,549.0
Guaranteed Income Supplement Allowance	8,091.0
557.0	
Other Statutory Payments:	
Universal Child Care Benefit	2,544.0
Canada Student Loans	767.9
Canada Education Savings Grant	626.0
Canada Learning Bond	43.0
Canada Disability Savings Program	5.2
Wage Earner Protection Program	56.2
Others	0.1
4,042.4	

Sub-Total 39,239.4

Canada Pension Plan benefits 30,743.0

Employment Insurance benefits

 Part I 16,292.0

 Part II 2,627.8 18,919.8

Other Specified Purpose Accounts 39.4^a

Total Statutory Transfer Payments 88,941.6

^aThis amount includes payments related to Government Annuities Account and the Civil Service Insurance Fund.

Strategic Outcome 1
A skilled, adaptable and inclusive labour force and an efficient labour market

Performance Indicators	Targets
Percentage of the Canadian Labour Force (aged 25–64) with some post-secondary education	70.5%
Percentage of Canadians (aged 25–64) who have attained a post-secondary education certificate, diploma, or degree	61.8%
Percentage of adult workforce who participate in employer-supported job-related training and other job-related formal training (Source: Adult Education Training Survey)	Current level: 2002 Employer-supported job-related 25% Other Job-related 34.7%
Percentage of unemployed individuals who were unemployed for 53 weeks or more (Source: Labour Force Survey)	Current level: 2007–2008 4.1%
Employment Ratio (employed population in proportion of the working-age population) (Source: Labour Force Survey)	Current level: 2008 72.9%
Average proportion of EI regular benefits entitlement used (Source: EI Administrative data)	Current level: 2006–2007 59.7%

Program Activity	Forecast Spending 2008–2009 (\$ millions)	Planned Spending (\$ millions)			Alignment to Government of Canada Outcomes
		2009–2010	2010–2011	2011–2012	
Skills and Employment	17,315.5	21,148.1	21,262.5	18,679.3	Income Security and Employment for Canadians
Learning	2,137.6	2,159.1	2,093.7	1,981.0	An innovative and knowledge based economy
Total	19,453.1	23,307.2	23,356.2	20,660.3	

Strategic Outcome 2
Safe, fair and productive workplaces and cooperative workplace relations

Performance Indicators	Targets
Number of problems with well-addressed strategies	100%

Program Activity	Forecast Spending 2008–2009 (\$ millions)	Planned Spending (\$ millions)			Alignment to Government of Canada Outcomes
		2009–2010	2010–2011	2011–2012	
Labour	244.6	271.2	274.5	253.0	A Fair and Secure Marketplace
Total	244.6	271.2	274.5	253.0	

Strategic Outcome 3 Income security, access to opportunities and well-being for individuals, families and communities

Performance Indicators		Targets			
Number and proportion of individuals 65 years and older, who had low family income		2006 (actual numbers reported) — 219,000 — 5.4% of all seniors			
Number and proportion of individuals aged 65 years and older, who would have had low income without public pension support.		2006 (actual numbers reported) — 1,946,540 — 47.8% of all seniors			

Program Activity	Forecast Spending 2008–2009 (\$ millions)	Planned Spending (\$ millions)			Alignment to Government of Canada Outcomes
		2009–2010	2010–2011	2011–2012	
Income Security	62,326.7	66,011.9	69,174.9	72,823.4	Income security and employment for Canadians
Social Development	2,773.9	2,769.0	2,806.0	2,822.4	A diverse society that promotes linguistic duality and social inclusion
Total	65,100.6	68,780.9	71,980.9	75,645.8	

Strategic Outcome 4 Service Excellence for Canadians

Performance Indicators		Targets			
Client Satisfaction Survey's global result		84%			

Program Activity	Forecast Spending 2008–2009 (\$ millions)	Planned Spending (\$ millions)			Alignment to Government of Canada Outcomes
		2009–2010	2010–2011	2011–2012	
Citizen-Centred Service www.servicecanada.gc.ca	489.6	474.5	467.2	464.1	Government affairs
Integrity and Processing	561.7	553.5	551.5	549.2	Government affairs
Total	1,051.3	1,028.0	1,018.7	1,013.3	

1.6 Socio-economic Context, Risks and Departmental Priorities

The recent downturn in the Canadian economy is putting an increasing number of Canadians at risk in terms of their ability to maintain employment and a reasonable standard of living. This is driving the Department's priorities for 2009–2010.

In the past several years, positive economic conditions characterized the Canadian economy and labour market. High commodity prices and strong domestic and international demand translated into job creation, business investments, government surpluses and strong consumer spending on goods and services. In contrast, this year, the financial crisis and the economic slowdown in the U.S. and other industrialized economies are having an impact on the demand for Canadian exports and prices for commodities have dropped sharply. As a result, the Canadian economy is beginning to feel the effects of a significant economic downturn and is expected to face rising unemployment and declining government revenues. Unemployment is on the rise as a result of substantial job losses in Canada's automotive, forestry and manufacturing sectors. Consumer and business confidence are at their lowest levels since 2001.

A key challenge in this changing environment is for HRSDC to remain responsive and meet the emerging needs of Canadian workers, employers and the labour market, by adapting the focus of programs and maintaining the quality of its services. The Department has important statutory programs for Canadians that automatically expand to address increased demand that might occur – including Employment Insurance, Canada Student Loans, Old Age Security, and the Guaranteed Income Supplement. It must respond to the needs of those who require assistance and accommodate growing processing volumes as a result.

A Skilled, Adaptable and Inclusive Labour Force and an Efficient Labour Market

Rising unemployment will lead to increased reliance on income support provided through the Employment Insurance program and increased demand for a range of labour market programming from both employers

and workers. For 2009–2010, this means the Department must focus on its ability to respond in a timely fashion to this growing demand from Canadians who are being affected by the economic downturn.

For HRSDC, which provides various forms of labour market assistance, the implications of increased unemployment at a time of declining government revenues are complex and pose significant risks. In positive economic circumstances, the focus of employment programs tends to be on addressing skill shortages and the needs of individuals who have particular difficulties integrating into the labour market. The Department must now ensure responsiveness to short-term labour market challenges while also maintaining its momentum on addressing the longer-term skills and labour requirements that will contribute to a stronger and more competitive Canada. In the context of a rapidly changing economic and business landscape, short-term financial assistance and adjustment measures are increasingly needed to help laid-off workers weather the downturn and ensure effective transitions which help workers re-enter the labour market.

Canadians who are most at risk during normal economic conditions, such as Aboriginal people, people with disabilities, youth, the working poor and older workers, are at risk of becoming further marginalized during tough economic times. For example, older workers may want to delay retirement and remain in the labour market longer, while employers may use early retirement as a tool to reduce current workforce levels in efforts to save money. For the working poor and their families, making ends meet can become an even greater challenge with reduced employment income. In other cases, workers with long histories of employment may find themselves permanently laid off and therefore in need of transitional assistance or re-skilling opportunities in order to pursue alternative careers. Aboriginal people who have less attachment to the labour force than many Canadians, may also find it difficult to enter or remain in the labour market.

Workers without post-secondary education are at greater risk of unemployment or layoffs. Under current economic conditions post-secondary enrolment and participation is expected to increase as students delay graduation and the tougher labour market conditions encourage people to upgrade their skills and go back to school. In the short term, the current slowdown is

likely to increase the demand for student loans, decrease savings for future education, and increase demand for repayment assistance as more borrowers experience difficulty repaying their student loans.

Younger workers may find it difficult to find employment as employers are cutting back on the hiring of graduates and younger workers in an effort to manage operating costs. Further, recent hires are often the most likely to lose their job during economic slowdowns.

At the same time, HRSDC's approach must remain balanced. The Department must continue to keep an eye on longer term trends. For example, there is an ongoing need for Canada to invest in skills development and to attract and retain skilled immigrants. Historically, Canada has successfully used its ability to attract immigrants to counterbalance slowing labour force growth. However, immigrant employment rates are below those of other Canadians, and their relative earnings are lower. In the current context, there exists a heightened need for credential recognition of immigrants in the Canadian labour market and literacy skills (in Canada's official languages) among immigrants to ensure that they are on an equal footing with all other Canadians in their ability to compete in the labour market.

As a result, in 2009–2010, a priority for the Department will be to ensure programming is responsive to the economic downturn so that Canadian workers are able to receive the *income support, adjustment assistance and skills investments required*. Details of the plans in this area are presented in Section 2 of the document.

Safe, Fair and Productive Workplaces and Cooperative Workplace Relations

In the context of the economic downturn, there is a heightened need for employers, unions, and employees to work together to ensure that Canadian workplaces are able to respond to a rapidly-changing environment while protecting the rights and working conditions of employees. Challenging economic times are likely to result in increased demand for services in areas such as the protection of minimum employment standards and the payment of wages owed to former employees of struggling or bankrupt companies.

From a labour relations perspective, there are a large number of collective agreements currently up for negotiation in the federal jurisdiction. The economic

downturn could increase tensions at the bargaining table, which will require close monitoring and, potentially, entail a growing workload for the Labour Program's mediators in order to encourage timely dispute resolution.

As a result, in 2009–2010, a priority for the Department will be to *help Canadian workers and employers to maintain workplace safety, productivity, and cooperation throughout the economic downturn by providing relevant and timely services and support*. This includes the Wage Earner Protection Program where there is a potential for increased demand. Details of the plans in this area are presented in Section 2 of the document.

Income Security, Access to Opportunities and Well-being of Individuals, Families and Communities

Income security is important to all Canadians. In particular, seniors may find their opportunities limited, especially those who want to remain in or return to the workforce. As a result, the Department must continue to deliver consistently, and in a timely manner, programs such as the Canada Pension Plan and Old Age Security.

Difficult economic times also have significant implications for families and children. Even during the positive economic conditions of the past decade, the gap in disposable income between richer and poorer Canadian families has widened. While already a cause for concern, this income gap risks increasing further during an economic slowdown, as unemployment affects many middle income Canadians, pulling them to lower income levels.

Further, economic experience demonstrates that poverty rates for children and families and working age adults track the business cycle. We can expect the poverty rates for these groups to rise again within the current cycle with high risk groups being the first to experience difficulties.

Demographic trends pose challenges as they continuously alter the Department's clientele and demand for services. For example, it can be expected that an older demographic will mean an increase in the number of clients for Old Age Security and Canada Pension Plan.

In the face of an aging society, increasing pressure will also be placed on families to meet their care

giving responsibilities for aging family members. Increasing choice through supports for Canadians and their families that help relieve some of the time and financial pressures Canadians face will build resiliency and increase independence.

As a result, in 2009–2010, a priority of the Department will be to *assist Canadians through targeted and modernized income security and social development measures for vulnerable populations (seniors, people with disabilities, homeless people and those at risk of becoming homeless, and communities)*. Details of the plans in this area are presented in Section 2 of the document.

Service Excellence for Canadians

Through the Service Canada Initiative, the Department has a direct role in improving the day-to-day quality of life of Canadians by delivering some of the Government of Canada's most fundamental services and benefits. Over the next year, it will continue to maintain a focus on responsive and effective service delivery approaches to ensure citizen access to the government information, programs and services, essential to meeting their changing needs.

The current economic downturn is resulting in increasing numbers of unemployed workers and a growing workload in terms of Employment Insurance applications and processing. Service Canada, as the face of government service delivery in communities across the country and through which the Department delivers its programs to Canadians, will continue to direct its efforts to anticipating and serving these emerging priority needs at the local and regional levels. By ensuring the most effective “bundling” of government resources and support around the needs of individuals, the Department will be a key enabler in assisting Canadians to meet their immediate needs and be better positioned to take advantage of opportunities that arise.

The Department also expects to see the number of requests grow for labour market information, and must be ready to respond and deliver programs to help workers adjust to the new labour market reality as swiftly and easily as possible.

To ensure its capacity to meet citizen service demands, the Department will continue to align resources and leverage its partnerships and business capacity expertise so that its operations remain sustainable, affordable and centred on core business

objectives. A strong focus will be placed on ensuring service standards are maintained during these difficult times so that citizens continue to receive the information, services and benefits they need in a timely and reliable manner.

Further, the Department will work to ensure overall service quality and integrity, which includes emphasizing core service delivery values, such as personalization, open communication, security and privacy of personal information, while moving forward on its commitment to continuously improve service to Canadians.

As a result, in 2009–2010, a priority of the Department will be to *ensure it can respond to increased demand for services from existing programs while ensuring the integrity of these same programs*. Details of the plans in this area are presented in Section 2 of the document.

Internal Services

Internal services include key functions that support the management of the Department. These include, for instance, financial services, human resources management services and the management of information and communication technologies.

For example, essential for HRSDC is ensuring that internal resources are aligned to effectively support any new demands that may be placed on the Department as a result of the economic downturn. This includes the streamlining of grant and contribution processes and also ensuring that staff receives the training they need to better serve Canadians.

In addition to finances, human resource considerations are foremost in ensuring the Department is well positioned to address challenges as they arise. The development of resourcing plans and approaches to ensure the Department can maintain an adequately skilled staff complement that is able to adjust to varying job requirements is fundamental to a well functioning department.

At a time when many employees are retiring, the Department will continue to invest significant efforts to ensure appropriate knowledge transfer from those who are preparing to retire to remaining personnel and new recruits.

As with many Canadian organizations, HRSDC is increasingly relying on information and communication

technologies to deliver its programs and services. Maintaining a sound and robust technological infrastructure – one that is secure and reliable and ensures efficiency of business operations – is fundamental to maintaining the confidence of Canadians in general and clients in particular.

As such, in 2009–2010, a priority of the Department will be to ensure *its internal services support the organization's core business and priorities*. Details of the plans in this area are presented in Section 2 of the document.

1.7 Expenditure Profile

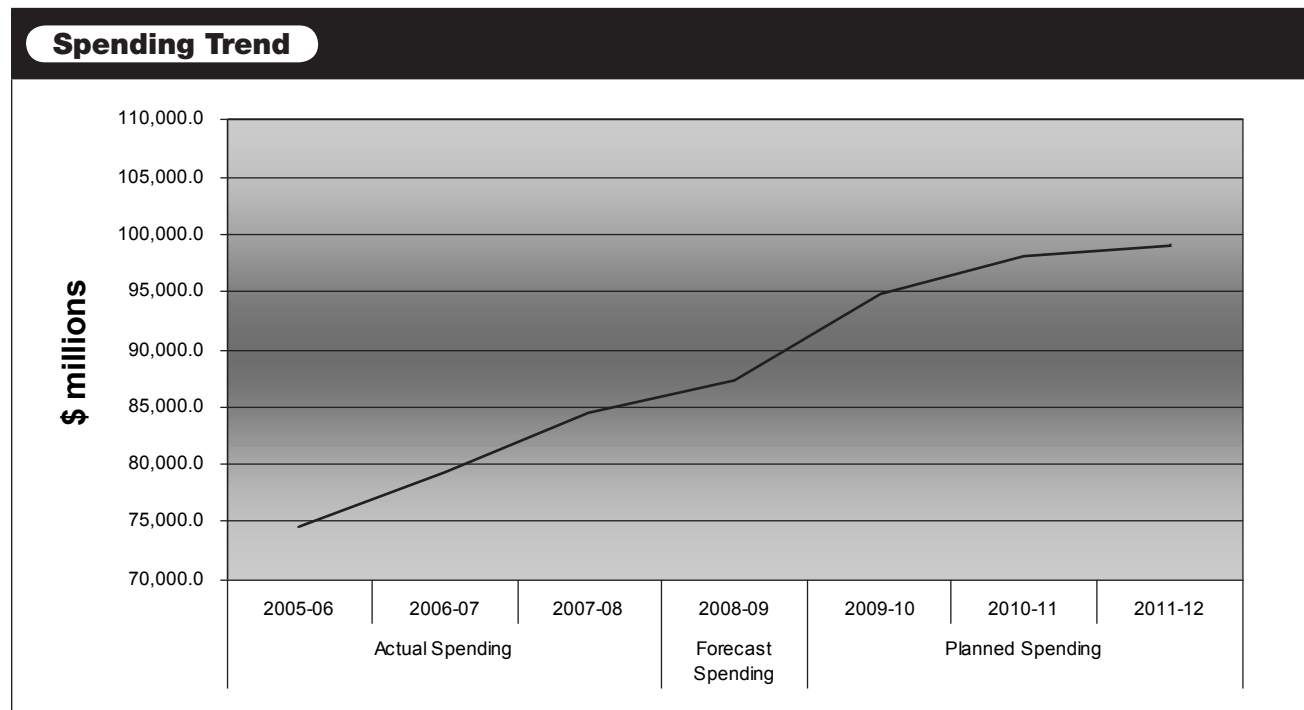
The figure below illustrates Human Resources and Skills Development Canada trend from 2005–2006 to 2011–2012. For the 2009–2010 fiscal year,

Human Resources and Skills Development Canada plans to spend almost \$95 B to meet the expected results of its program activities.

For the 2005–2006 to 2008–2009 periods the total spending includes all Parliamentary appropriation and revenue sources, Main Estimates, Supplementary Estimates. For the 2009–2010 to 2011–2012 periods, total spending corresponds to the planned spending.

The increase in the actual spending from 2005–2006 to 2006–2007 is mainly attributable to statutory payments with the implementation of the Universal Child Care Benefit in fiscal year 2006–2007 (\$1.7 B), an increase in the Canada Pension Plan Benefits (\$1.1 B) and Old Age Security (\$1.3 B).

From 2006–2007 to 2007–2008, the increase in actual spending is mainly due to a one time payment



Total Consolidated Expenditures (in millions of dollars)

Actual Spending			Forecast Spending	Planned Spending		
2005–2006	2006–2007	2007–2008	2008–2009	2009–2010	2010–2011	2011–2012
74,731.5	79,225.1	84,504.4	87,279.2	94,719.8	97,964.7	98,899.8

for the Implementation of the Indian Residential Schools Settlement Agreement for 2007–2008 (\$1.9 B) and increases in statutory payments related to Old Age Security (\$1.7 B) and Canada Pension Plan (\$1.4 B).

From 2007–2008 Actual to 2008–2009 Forecast Spending, the increase of almost \$3 B is mainly explained by increases in Employment Insurance Benefits and Canada Pension Plan Benefits.

Planned Spending includes Canada Skills and Transition Strategy announced in Budget 2009. Increases are also explained by changes in Old Age Security average rates of payment and population, and to increases in Canada Pension Plan Benefits which reflect forecast of clients population and average benefit payments.

1.8 Voted and Statutory Items Displayed in the Main Estimates

Voted and Statutory Items

Vote # or Statutory Item (S)	Truncated Vote or Statutory Wording (millions of dollars)	2008–2009	2009–2010
		Main Estimates	Main Estimates
1	Operating expenditures	606.1	586.9
5	Grants and contributions	1,675.3	1,443.5
(S)	Minister of Human Resources and Skills Development - Salary and motor car allowance	0.1	0.1
(S)	Minister of Labour - Salary and motor car allowance	0.1	0.1
(S)	Old Age Security Payments	25,321.0	26,549.0
(S)	Guaranteed Income Supplement Payments	7,696.0	8,091.0
(S)	Allowance Payments	573.0	557.0
(S)	Payments related to the direct financing arrangement under the <i>Canada Student Financial Assistance Act</i>	328.0	300.9
(S)	The provision of funds for interest payments to lending institutions under the <i>Canada Student Loans Act</i>	-	-
(S)	The provision of funds for liabilities including liabilities in the form of guaranteed loans under the <i>Canada Student Loans Act</i>	6.8	4.5
(S)	The provision of funds for interest and other payments to lending institutions and liabilities under the <i>Canada Student Financial Assistance Act</i>	24.1	31.9
(S)	Canada Study Grants to qualifying full and part-time students pursuant to the <i>Canada Student Financial Assistance Act</i>	142.9	511.5
(S)	Supplementary Retirement Benefits - Annuities agents' pensions	-	-
(S)	Universal Child Care Benefit	2,470.0	2,544.0
(S)	Civil Service Insurance actuarial liability adjustments	0.1	0.1
(S)	Payments of compensation respecting government employees and merchant seamen	43.0	40.0
(S)	Canada Learning Bond payments to Registered Education Savings Plans (RESPs) trustees on behalf of RESP beneficiaries to support access to post-secondary education for children from low-income families	34.0	43.0
(S)	Canada Education Savings grant payments to Registered Education Savings Plans (RESPs) trustees on behalf of RESP beneficiaries to encourage Canadians to save for post-secondary education for their children	588.0	626.0
(S)	Canada Disability Savings Grant payments to Registered Disability Savings Plan (RSDP) issuers on behalf of RSDP beneficiaries to encourage long-term financial security of eligible individuals with disabilities	-	3.3
(S)	Canada Disability Savings Bond payments to Registered Disability Savings Plan (RDSP) issuers on behalf of RSDP beneficiaries to encourage long-term financial security of eligible individuals with disabilities	-	1.9
(S)	Wage Earner Protection Program payments to eligible applicants owed wages and vacation pay from employers who are either bankrupt or in receivership as well as payments to trustees and receivers who will provide the necessary information to determine eligibility	-	31.2
(S)	Contributions to employee benefit plans	232.7	221.3
	Total Budgetary	39,741.2	41,587.2
	Plus: Non-Budgetary		
	Loans disbursed under the <i>Canada Student Financial Assistance Act</i>	906.3	596.0
	Total Department	40,647.5	42,183.2

Section II Analysis of Program Activities by Strategic Outcome

Human Resources and Skills Development Canada

Analysis of Program Activities by Strategic Outcome

2.1 Strategic Outcome 1: A skilled, adaptable and inclusive labour force and an efficient labour market

Priority

Assist Canadian workers in a period of economic downturn through income support, adjustment assistance and skills investments.

2.1.1 Program Activity: Skills and Employment

The Skills and Employment Program Activity supports the achievement of a skilled, adaptable and inclusive labour force and an efficient labour market. Essential in this role are responsiveness and flexibility to changing economic conditions. Further, supporting a more inclusive labour force helps ensure that the benefits of earned incomes are shared by more Canadians, while the overall efficiency of the labour market is encouraged through the reduction of barriers to labour market participation.

Within this program activity, Employment Insurance programming under Part I of the *Employment Insurance Act* promotes economic stability and a flexible labour market by providing temporary income support to eligible unemployed workers. As well, this program provides income benefits to Canadian workers to help them balance work commitments with family responsibilities and personal illness through special benefits such as maternity, parental, sickness and compassionate care.

Building a skilled labour force that is adaptable to labour market change is achieved by providing opportunities for skills development and upgrading. Employers are encouraged to plan, prepare and invest in the skills of both their immediate and longer term requirements, with competitiveness in mind. A

skilled Canadian workforce ensures that employers are able to meet their labour market needs over the short and long term.

This program activity also supports the development of an inclusive labour force, which includes under-represented groups and vulnerable workers. The development of an inclusive labour force will help to ensure all Canadians have the opportunity to acquire the necessary skills to find and maintain productive employment and employers are able to meet their labour force needs. As such, programs focus on providing targeted interventions in the area of skills development for displaced workers and under-represented groups, including youth, people with disabilities, older workers, Aboriginal people and vulnerable workers.

Federal – Provincial/Territorial relationships are essential to the Department's success in meeting these objectives. The Department has entered into Labour Market Agreements and Labour Market Development Agreements which assist Canadians prepare for, find and maintain employment. With these agreements in place, provinces and territories are responsible for delivering and reporting on these initiatives. Information on these agreements can be found at

<http://www1.servicecanada.gc.ca/eng/employment/partnerships/index.shtml>

Finally, this program activity aims to improve the overall efficiency of the labour market and seeks to reduce the barriers to labour market integration. For example, workers may benefit from the removal of inter-provincial labour mobility barriers, which prevent movement from areas of high unemployment to areas of low unemployment, thus allowing workers to have a wider range of opportunities and employers to have a broader selection of candidates. Also encouraged is the recognition of foreign credentials to ensure the participation of immigrants in the labour market.

Program Activity Skills and Employment

Human Resources (FTEs) and Planned Spending (in millions of dollars)

2009–2010		2010–2011		2011–2012	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
2,251	21,148.1	2,272	21,262.5	2,294	18,679.3

Program Activity Expected Results

Skills and employment opportunities for workers in Canada and the supports to promote an efficient labour market

Performance Indicators	Targets
Number of clients employed and/or returned to school following an employment program intervention as a proportion of the total number of clients who complete their employment program intervention(s) (for Federally delivered programs only: Youth Employment Strategy, Opportunities Fund for Persons with Disabilities, Aboriginal Skills and Employment Partnerships)	55%–62%
Percentage of apprentices covered by a Red Seal trade	88.8%
Percentage of sector councils that meet or exceed performance	90%
Percent of skilled immigrants targeted by systemic Foreign Credential Recognition intervention	60%
The proportion of unemployed individuals eligible to receive benefits, among those who had a recent job separation that met EI program eligibility criteria.	82.3%

For more detailed information on Labour Market Agreements and Labour Market Development Agreements with the Provinces and Territories, please visit: <http://www1.servicecanada.gc.ca/eng/employment/partnerships/index.shtml>

Planning Highlights

The following plans for 2009–2010 support this priority.

- Meet Employment Insurance-related policy and program design demands in response to rising unemployment by:
 - Providing nationally, for a two-year period, the benefits of the current five-week pilot project that until now has only been provided in regions with the highest unemployment rates and increasing the maximum benefit duration to 50 weeks from 45 weeks
 - Extending the duration of Work Sharing agreements by 14 weeks to a maximum of 52 weeks to help more companies avoid layoffs by offering EI Income support to qualifying workers willing to work a reduced work week.
 - Allowing earlier access to EI regular income benefits for workers who use some or all of that severance to invest in skills upgrading or other training.
 - Freezing EI premium rates for 2010 in order to support employers and employees and
 - establishing the Canada Employment Insurance Financing Board to set premium rates for 2011 and beyond.
- Establishing an expert panel to consult Canadians on how to best provide self-employed Canadians with access to EI maternity and parental benefits.
- Work with provinces and territories to facilitate worker adjustment to economic downturn by supporting investments in skills acquisition through Labour Market Agreements and Labour Market Development Agreements.
 - Investing \$500M, over a two year period, in a *Strategic Training and Transition Fund* to assist provinces and territories in providing programs that support the needs of workers affected by the economic downturn.
 - Increasing funding by \$1B over two years for training delivered by provinces and territories through the EI program.
- Follow up on the commitment made by First Ministers to reduce barriers to labour mobility by recognizing, across all jurisdictions, any worker certified for an occupation by a regulatory authority

of one province or territory, by implementing the amended labour mobility chapter of the Agreement on Internal Trade.

- Improve and expand targeted program initiatives to support workers with skills and transition needs through:
 - an additional \$60M for the Targeted Initiative for Older Workers over a three year period to enhance access to skills training and address the adjustment needs of older workers across a wider range of communities
 - an additional \$100M will be invested over three years in the Aboriginal Skills and Employment Partnerships program and is expected to support up to 25 new projects, which will result in the creation of 6,000 jobs for Aboriginal Canadians;
 - a \$75M investment in a new two year Aboriginal Skills and Training Strategic Investment Fund which represents a step toward implementation of the successor to the Aboriginal Human Resources Development Strategy (Budget 2009 also committed a further \$25M to maintain current Aboriginal Human Resources Development Strategy funding); and
 - targeted funding of \$20M over two years to assist youth will also be delivered through the Canada Summer Jobs program to enable more employers to hire summer students.
- Implement the Apprenticeship Completion Grant of \$2,000, on an ongoing basis, to help raise the number of completions and encourage young people to launch a career in one of the Red Seal skilled trades.
- Invest \$50M over two years to ensure that the Foreign Credential Recognition Program supports pan-Canadian efforts to develop a common assessment and recognition framework to ensure consistency, fairness and transparency of foreign qualifications across Canada.

2.1.2 Program Activity: Learning

Participation in post-secondary education lays the foundation for building a skilled, adaptable, and inclusive workforce and an efficient labour market. To this end, the Learning program activity helps Canadians attend college, university, and trade schools by giving loans and grants to students and encouraging saving for post-secondary education through the Canada Student Loans Program and the Canada Education Savings Program.

These programs help Canadians obtain the skills and credentials they need to succeed in the labour market. Workers with higher-level skills and credentials earn higher wages, remain in the labour force longer, and are more likely to be employed. Credentials help employers assess job applicants and increase the efficiency of the labour market by simplifying the matching of jobs and job seekers.

Post-secondary education is a solid investment in the economy, supporting future innovation and addressing the skills shortages that limit economic growth. It also helps workers adjust to changing labour market conditions; people who lack at least some level of post-secondary education are at greater risk of unemployment or layoffs during economic downturns.

With an economic slowdown, an increase in the demand for Canada Student Loans is expected. Throughout 2009–2010, HRSDC expects to invest approximately \$1.83B in Canada Student Loans to help 350,000 students attend school. Investments in these individuals will better position Canada to succeed in the knowledge-based economy and to innovate more quickly.

Service delivery is an important activity for the Learning Program. The program is committed to maintaining its services standards even as it faces increased demand. The program is also establishing a service delivery vision for Canada Student Loans that will simplify processes and increase service standards.

The Government of Canada introduced improvements to the Canada Student Loans Program in Budget 2008 which will benefit students starting in Fall 2009. To this end, a new Canada Student Grants Program will be launched in August 2009. Its objective is to increase post-secondary education participation by providing predictable grants to students from low- and middle-income families each year of their studies.

Also being launched in August 2009, the new Repayment Assistance Plan is designed to enhance flexibility for those experiencing difficulty in debt repayment and to be more reflective of the study-to-work transition of young graduates and the needs of students with disabilities. This initiative is well-timed to meet increased pressure for repayment assistance during the economic downturn. In the long term, the Program is expected to lead to a reduction in default rates.

Program Activity Learning

Human Resources (FTEs) and Planned Spending (in millions of dollars)

2009–2010		2010–2011		2011–2012	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
314	2,159.1	314	2,093.7	314	1,981.0

Program Activity Expected Results

Canadians have the skills and credentials to succeed in the labour market.

Performance Indicators	Targets
Percentage of the Canadian Labour Force (aged 25–64) who have attained a post-secondary education certificate, diploma, or degree. (63.7% in 2007)	64.3%
Post-secondary certificate or diploma	37.6%
Bachelor's degree	18.1%
Above Bachelor's degree	8.1%
Total	63.7%
Proportion of Canadians who were attending university or college (8.4% in 2007, estimated 8.3% in 2008)	8.4%
Percentage of Canadians under 18 in the 2009 calendar year who have ever benefited from a Canada Education Savings Program incentive	39.7%
Percentage of eligible children from low-income families who have ever received a Canada Learning Bond	18.5%
Total amount withdrawn from Registered Education Savings Plans in the 2009 calendar year to pay for post-secondary education	\$1.5B
3-year cohort default rate for the 2006–2007 repayment cohort (by dollar value) ^a	17%
Number of new Canada Student Loans issued to full-time students	350,000
Number of full time students who receive a Canada Student Grant	245,000

^a The percentage of student loans that entered repayment in 2006–2007 and defaulted within 3 years (the end of 2009–2010) is the 3-year cohort default rate. This calculation is based on methodology used by the Office of the Chief Actuary.

For more information concerning Budget 2008 initiatives, including the Canada Student Grants Program, Repayment Assistance Plan or the Service Delivery Vision please visit

<http://www.canlearn.ca/eng/main/spotlighton/bdg2008/index.shtml>.

Planning Highlights

The following plans for 2009–2010 support this priority:

- It is anticipated that the Canada Student Grants Program will be launched by August 2009 to improve support for low- and middle- income students;
- Plan to implement the Repayment Assistance Plan by August 2009, to help borrowers facing difficulties in repaying their loans.
- Provide additional support for Canada Student Loans Program service delivery aiming that:
 - 95% of funds are disbursed to students and educational institutions within 2 days (federal portion) and 4 days (provincial portion) of receiving complete and accurate student loan documentation;
 - 99% of disbursements are error-free, based on the top 5 pre-identified reasons for disbursement errors;

- 80% of inbound telephone calls are answered within 20 seconds, and
 - 75% of clients are satisfied with the overall quality of service provided by the Canada Student Loans Program.
- Begin implementing the Service Delivery Vision to provide clients with better online services, streamlined, simplified application processes and better co-ordinated communications.

2.2 Strategic Outcome 2: Safe, fair and productive workplaces and cooperative workplace relations

Priority

Help Canadian workers and employers to maintain workplace safety, fairness, productivity, and cooperation throughout the economic downturn by providing relevant and timely services and support.

2.2.1 Program Activity: Labour

The workplace is where Canada's wealth is generated and where many Canadians spend a significant portion of their day. Ensuring that workplaces are safe, fair and productive and that workplace relations are cooperative is important to the well-being of individual Canadians, to their employers, and to the performance of the country's economy.

This program activity is directly responsible for federally regulated workplaces in a number of strategically important sectors of the economy, including banking, telecommunications, broadcasting, air, inter-provincial rail, road and pipeline transportation, shipping, uranium mining, grain handling, and Crown corporations.

To promote cooperation and fairness in these sectors, the Labour Program provides mediation and conciliation services to assist employers and unions in settling disputes; appoints arbitrators, adjudicators, and wage recovery referees to resolve specific disputes between employers and employees; offers a comprehensive and innovative Preventive Mediation Program to assist employers and unions in building effective labour-management relations; provides grievance mediation to assist labour and management in reaching voluntary settlement of

Program Activity Labour

Human Resources (FTEs) and Planned Spending (in millions of dollars)

2009–2010		2010–2011		2011–2012	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
726	271.2	726	274.5	726	253.0

Program Activity Expected Results

Safe and healthy workplaces that are fair and respect minimum labour standards.

Performance Indicators	Targets
Percentage of collective bargaining disputes settled under Part I (Industrial Relations) of the <i>Canada Labour Code</i> without a work stoppage	90% (Mediation and Conciliation Retrieval System)
Percentage change, year over year, in the rate of lost time injuries and fatalities within the targeted higher risk federal jurisdiction industries	15%
Percentage of unjust dismissal complaints settled by inspectors (Part II of the <i>Canada Labour Code</i>)	75%

grievances as a low cost alternative to arbitration; and fosters cooperation through its Labour-Management Partnerships Program.

Through a coast-to-coast network of regional offices, the Program ensures that federally regulated workplaces are safe and fair by working with employers and employees to ensure that laws on occupation health and safety, labour standards, employment equity, and non-smokers' health are respected. The Program is also responsible for the federal workers' compensation system, the Wage Earner Protection Program, and certain fire protection services.

The workplace is changing rapidly and the Labour Program Activity is helping Canadians to adjust and thrive in the new global economy. This is done by conducting research on developing issues, such as work-life balance, and by tracking and providing a wide range of information on labour relations and workplace trends in Canada, including developments in federal, provincial, and territorial labour laws.

Finally, in order to enhance working conditions and ensure healthy and fair workplaces for all Canadians, the Program works closely with provincial and territorial governments, First Nations communities, and a range of international partners. Domestically, this entails forging partnerships and engaging in joint projects. On the global stage, the Program manages Canada's participation in international labour organizations and negotiates and implements labour cooperation agreements with Canada's free trade partners and emerging economic powers.

Planning Highlights

The following plans for 2009–2010 support this priority:

- Deliver core programs that foster safety, fairness, and productivity in workplaces under exclusive federal jurisdiction, and ensure that those programs are responsive to the economic challenges facing Canadian employers and workers:
 - ensure the effective and efficient delivery of services in the areas of occupational health and safety, employment standards, injury compensation, and fire safety, in part through the implementation of modern, targeted compliance strategies;

- preserve the integrity of programs that are particularly relevant to employers and workers during difficult economic times, including the Wage Earner Protection Program, preventive mediation and dispute resolution services, and measures for effective handling of group terminations; and
- maintain programs that support the full and equal participation of all Canadians at work, including the Federal Contractors Program for Employment Equity, the Racism-free Workplace Strategy, and pay equity.
- Develop innovative strategies that respond to the short- and long-term challenges facing Canadian workplaces:
 - consult with stakeholders on concrete options for modernising Part III (Labour Standards) of the *Canada Labour Code*;
 - assess the recommendations presented in the report *Work Stoppages in the Federal Private Sector* aimed at reducing the frequency and duration of strikes and lockouts in federally regulated industries; and
 - develop options for presentation before the Parliamentary Committee charged with the examination of the *Employment Equity Act*.
- Advance Canadian interests and values in the negotiation and implementation of international labour standards and agreements:
 - pursue the conclusion and implementation of labour cooperation agreements and cooperative frameworks with free-trade partners and emerging economic powers;
 - strengthen cooperation between Canada, the United States, and Mexico in the context of the North American Agreement on Labour Cooperation; and
 - provide leadership and promote Canadian interests in international forums dealing with labour issues, including the International Labour Organization.

2.3 Strategic Outcome 3: Income security, access to opportunities and well-being for individuals, families and communities

Priority

Assist Canadians through targeted and modernized income security and social development measures for vulnerable populations (seniors, people with disabilities, homeless people and those at risk of becoming homeless, and communities).

2.3.1 Program Activity: Income Security

Ensuring income security is essential to the quality of life and well-being of Canadians. This program activity ensures that eligible Canadians are provided with

retirement pensions, survivor pensions, disability benefits and benefits for children, through the Old Age Security program, the Canada Pension Plan and the Canada Disability Savings Program.

In addition, this program activity ensures that low-income families and their children are effectively supported through the National Child Benefit initiative. Through this initiative, the federal government works in partnership with provincial and territorial governments to provide income support, as well as benefits and services. The Government of Canada's contribution to this initiative is the National Child Benefit Supplement.

The Department also focuses on national legislative development, policy direction, program design, and research and analysis to ensure that the Old Age Security and Canada Pension Plan programs remain responsive to the current and future needs of Canadians. This includes efforts to expand awareness and increase take-up of public retirement income entitlements with a particular focus on vulnerable

Program Activity Income Security

Human Resources (FTEs) and Planned Spending (in millions of dollars)

2009–2010		2010–2011		2011–2012	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
582	66,011.9	578	69,174.9	576	72,823.4

Program Activity Expected Results

Canadians are provided with the pensions and benefits to which they are entitled.

Performance Indicators	Targets
Number of Registered Disability Savings Plans receiving Canada Disability Savings Bonds and the dollar value of these Bonds	<ul style="list-style-type: none"> • 10,000 Plans receive a cumulative \$15M by 2011–2012 • 18,000 Plans receive a cumulative \$45M by 2013–2014
Number of Registered Disability Savings Plans receiving Canada Disability Savings Grants and the dollar value of these Grants	<ul style="list-style-type: none"> • 15,000 Plans receive a cumulative \$30M by 2011–2012 • 25,000 Plans receive a cumulative \$80M by 2013–2014
Percentage of income derived from Canada Pension Plan program	<ul style="list-style-type: none"> • 25% of average monthly pensionable earnings which represent career average earnings up to that year's maximum pensionable earnings.
Percentage of CPP contributors who have contributory coverage/eligibility for CPP-Disability	<ul style="list-style-type: none"> • Male 70% • Female 63%
Percentage of eligible seniors who receive the Old Age Security pension	<ul style="list-style-type: none"> • 96%

segments of the population who often experience barriers to receiving information and assistance through traditional government channels.

Finally, this program activity also includes the administration of the Canada Disability Savings Program which helps parents and others save for the long-term financial security of people with severe disabilities.

Planning Highlights

The following plans for 2009–2010 support this priority:

- Strengthen overall accountability within Canada's public pensions by completing the implementation of legislative changes to Old Age Security and Canada Pension Plan related to penalties, interest, information sharing, and e-services.
- Work with Finance Canada to identify and assess policy options in the context of the 2007–2009 Canada Pension Plan Triennial Review process to ensure that the Plan meets the current and future needs of contributors and eligible beneficiaries.
- Implement and administer the Canada Disability Savings Grant and Bond components of the Canada Disability Savings Program to assist families in planning for the long-term financial security of people with severe disabilities.

2.3.2 Program Activity: Social Development

Social Development supports programs for homeless people or those individuals at risk of homelessness, as well as programs for children, families, seniors, communities, and people with disabilities. The program activity provides these groups with the support, knowledge, information, and opportunities to move forward with their own solutions to social and economic challenges.

This program activity focuses on strengthening and building capacity to increase access to services, information and resources, as well as funding programs that empower and engage Canadians.

Recognizing that the needs of families are diverse, the Government of Canada provides parents with the flexibility to choose the option that best suits their needs. The Federal Universal Child Care Plan recognizes families as the key building blocks of society and gives parents the flexibility to balance work and family, as they see fit. HRSDC will also continue to support the implementation of the Universal Child Care Benefit, the cornerstone of Canada's Universal Child Care Plan.

In addition, the Department will continue its involvement in the build-up to 2010 Olympic Winter Games, centering on five main areas: Employment; Social Inclusion (homelessness); Accessibility; Service Delivery; and Outreach. The Department will also continue to support the work of the National Seniors Council which advises Canada's Government on all matters related to the health, well-being and quality of life of seniors.

Program Activity Social Development

Human Resources (FTEs) and Planned Spending (in millions of dollars)

2009–2010		2010–2011		2011–2012	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
580	2,769.0	565	2,806.0	560	2,822.4

Program Activity Expected Results

Individuals are provided knowledge, information, and opportunities to move forward with their own solutions to social and economic challenges.

Performance Indicators	Targets
Percentage of all Homelessness Partnering Strategy investments in regionally delivered projects targeted to long-term stable housing and related services.	65% (includes carry-over projects from Phase II of the National Homelessness Initiative)
Amount invested in communities by external partners (not-for-profit groups, private sector organizations, and other government departments) for every dollar invested by the Homelessness Partnering Strategy.	\$1.50
Estimated number of individuals and families that have access to information, programs and services as a result of Social Development Partnerships Program funding.	1.2 M
Number of organizations funded through the Disability component of the Social Development Partnerships Program .	40
Number of children and parents involved in Understanding the Early Years community research activities.	20,000
Number of seniors involved in New Horizons for Seniors Program funded projects (estimated).	90,000
Number of Federal Elder Abuse Initiative networks and partnership	11
Number of building/vehicle renovations and modifications by Enabling Accessibility Fund funded projects.	280
Percentage of families who are receiving the Universal Child Care Benefit for their children under age 6.	100% (of eligible families)

Planning Highlights

The following plans for 2009–2010 support this priority:

- Implement the renewed Homelessness Partnering Strategy and develop options for future responses to address homelessness issues in consultation with key partners.
- Implement the renewed Social Development Partnerships Program, in partnership with not-for-profit organizations, to strengthen and expand front-line services and address barriers for children and families, people with disabilities and other vulnerable populations across Canada.
- Develop information and resource materials for frontline workers (public health, medical, legal, police, and financial professionals, etc.) to provide key professional groups with the information necessary to identify cases of elder abuse, access the appropriate resources, and take measures to provide assistance to victims.

2.4 Strategic Outcome 4: Service excellence for Canadians

Priority

Respond to increase in demand for services from existing Service Canada delivered programs.

2.4.1 Program Activity: Citizen-Centred Service

This program activity aims to improve and integrate government service delivery by providing Canadians with bilingual one-stop, easy-to-access, personalized service in person, by telephone, Internet and via mail.

Service Canada translates government policy and program objectives into quality, comprehensive service offerings and effective delivery approaches that help to achieve real results for Canadians. Guided by the ongoing feedback of citizens and frontline employees, and in collaboration with partners, Service Canada continuously refines its service strategies, approaches and offerings, so that Canadians can easily and securely access the government information or services they need.

The Citizen-Centred Service program activity supports the Government's efforts in the achievement of single window, seamless access service delivery to promote timely, positive service experiences and the overall satisfaction of clients.

Program Activity Citizen-Centred Service					
Human Resources (FTEs) and Planned Spending (in millions of dollars)					
2009–2010		2010–2011		2011–2012	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
6,088	474.5	6,049	467.2	6,038	464.1
Program Activity Expected Results					
Integrated and seamless delivery of Government of Canada programs and services.					
Performance Indicators					Targets
Percentage of clients satisfied with information received through the in-person, telephone, web, and mail channels.					80% for each channel
Percentage of passport applications accurately reviewed and authenticated.					95%
Percentage of Office for Client Satisfaction feedback replied within seven working days of receipt.					100%
Percentage of Pleasure Craft License transactions completed in one visit (Percentage is based on completed applications with all supporting documents).					95%
Percentage of Canadians who are aware of Service Canada.					65%
Additional performance indicators and volumetric data for Citizen-Centred Service can be found in the Service Canada Annual Report at http://www.servicecanada.gc.ca/en/about/publications.shtml#corp .					

Planning Highlights

The following plans for 2009–2010 support this priority:

- Meet increasing demands for information, applications, and services on Employment Insurance, Canada Pension Plan, Old Age Security, Guaranteed Income Supplement, Worksharing, Job Bank, as well as Grants and Contributions, Apprenticeship Incentive Grant and Wage Earner Protection Program through in-person, call centres and Web channels;
- Bundle information available for workers who have lost their job, as well as employers facing closures and layoffs;
- Direct clients through targeted marketing to use cost effective, efficient virtual services (Web and voice interactive telephone services), when seeking information and transacting with the Department and refer inquiries to provinces to access labour market programs; and

- Expand collaboration and support between in-person, call centres and processing in order to increase first contact resolution for a broader range of enquiries and to improve service efficiency.

2.4.2 Program Activity: Integrity and Processing

This program activity positions Service Canada to be able to ensure the accuracy of payments, the security and privacy of personal information, and the overall quality of service offerings.

Meeting the expectations of Canadians that government services and benefits are delivered to the right person for the right amount for the intended purpose and at the right time is a cornerstone of Service Canada's service commitments. The organization continues to modernize the way it

Program Activity Integrity and Processing

Human Resources (FTEs) and Planned Spending (in millions of dollars)

2009–2010		2010–2011		2011–2012	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
7,799	553.5	7,781	551.5	7,762	549.2

Program Activity Expected Results

Delivery of Government of Canada programs and services, while respecting privacy and security needs.

Performance Indicators	Targets
Percentage of benefit payments issued within established timeframes	
• Percentage of Employment Insurance benefit payments or non-payment notifications issued within 28 days of filing	80%
• Percentage of Canada Pension Plan retirement benefits paid within the first month of entitlement	85%
• Percentage of Old Age Security basic benefits paid within the first month of entitlement	90%
• Percentage of Apprenticeship Incentive Grant payments issued within 28 calendar days of filing	85%
• Percentage of Wage Earner Protection Program payments issued within 28 calendar days of filing	Baseline Year
Accuracy rate of benefit payments	
• Payment Accuracy of Employment Insurance	95%
• Payment Accuracy of Canada Pension Plan	95%
• Payment Accuracy of Old Age Security	95%
Social Insurance Register	
• Accuracy rate for vital events	97.4%
• Legitimate Social Insurance Number (SIN) accuracy rate	99.9%

Additional performance indicators and volumetric data for Integrity and Processing can be found in the Service Canada Annual Report at <http://www.servicecanada.gc.ca/en/about/publications.shtml#corp>.

handles processing and service delivery functions, to further enhance the efficiency and accuracy of its operations.

Service Canada maintains an active program of management frameworks, processes and controls to strengthen the integrity of departmental programs by assuring operational and service compliance at the national and regional levels.

While ensuring public confidence and trust in the delivery of government services, these efforts also yield savings for the federal government (\$775M in 2007–2008). These program savings consist of recovered or discontinued overpayments of benefits under Employment Insurance, the Canada Pension Plan and Old Age Security, which result from investigations of suspected fraud and abuse and prevention activities.

Planning Highlights

The following plans for 2009–2010 support this priority:

- Develop action plans with specific activities to address the impacts of the economic downturn on operations. These plans will address the Department's capacity to increase processing in Employment Insurance and Canada Pension Plan in the short and medium term as well as the impacts on the delivery channels while maintaining service quality and integrity. It will also identify the employee tools, training and investment needed to face increasing volumes;
- Continue with Employment Insurance and Income Security Programs (Canada Pension Plan, Old Age Security) automation to improve the Departments ability to meet increased workload demands;
- Investigate abuse, misuse and errors in Employment Insurance, Canada Pension Plan, Old Age Security and Social Insurance Number programs to ensure the integrity of departmental benefit programs; and
- Increase the number of agreements for the exchange of vital events information with provinces and territories.

2.5 Program Activity: Internal Services

Priority

Support the organization's core business and priorities by delivering efficient and effective corporate services.

Internal Services are groups of activities and resources that are administered to support the needs of programs and other corporate obligations of an organization. These groups are: Management and Oversight Services; Communications Services; Legal Services; Human Resources Management Services; Financial Management Services; Information Management Services; Information Technology Services; Real Property Services; Materiel Services; Acquisition Services; and Travel and Other Administrative Services. Internal Services include only those activities and resources that apply across an organization and not to those provided specifically to a program.

Planning Highlights

- Realign financial resources in response to increase in program activity volumes as a result of the economic downturn;
- Ensure continuity of business operations in response to increased service delivery requirements (e.g. Employment Insurance) by developing business continuity planning and information technology security;
- Continue to implement a thorough investment review process, particularly in support of a sound and affordable information technology infrastructure;
- Provide greater support to managers in creating and implementing effective human resource plans;
- Continue streamlining and standardizing practices aimed at improving the efficiency and effectiveness of human resources;
- Address learning and training needs related to competency gap in the management and delivery of programs and services, especially in the areas of nationally and regionally delivered grants and contributions by developing a national training strategy for grants and contributions delivery;

- Ensure awareness of the benefits available to citizens and their families to help adjust to the economic downturn; and
- Streamline management of departmental nationally and regionally delivered grants and contributions, reduce administrative burden for stakeholders and

contribute to the Web of Rules Action Plan and government-wide Action Plan to Reform the Administration of Grants and Contributions.¹

Program Activity Internal Services

Human Resources (FTEs) and Planned Spending (in millions of dollars)

2009–2010		2010–2011		2011–2012	
FTEs	Planned Spending	FTEs	Planned Spending	FTEs	Planned Spending
6,168	794.2	6,137	786.1	6,130	782.1

Program Activity Expected Results

Support the organization's core business and priorities

Performance Indicators	Targets
Percentage of employees from Employment Equity groups:	Representation reflects general workforce availability:
• women	59.1%
• aboriginal peoples	3.0%
• members of visible minority	9.4%
• people with disabilities	3.4%
Workforce Strategic Indicator; Percentage of employees leaving the Department	8.0% [based on 07–08 staff turnover]
Workplace Strategic Indicator; Ratio of non-advertised external hiring to total hiring	12% [based on SMAF Accountability Indicator]

¹ Although technically not an internal service, as per the definition of Internal Services provided by the Treasury Board Secretariat, the management of Grants and Contributions is a cross cutting function that affects the entire Department. For this reason it was deemed appropriate to place it under internal services – which are also supportive of the whole Department.

Section III Supplementary
Information

**Human Resources and
Skills Development Canada**

Supplementary Information

3.1 List of Supplementary Information Tables

More information on Tables 1 to 9 can be found at <http://www.tbs-sct.gc.ca/rpp/2009-2010/index-eng.asp>

Table 1 Details of Transfer Payment Programs

Skills and Employment

1. Aboriginal Human Resources Development Strategy
2. Aboriginal Skills and Employment Partnerships
3. Youth Employment Strategy
4. Targeted Initiative for Older Workers
5. Enabling Fund for Official Language Minority Communities
6. Labour Market Agreements for Persons with Disabilities
7. Opportunities Fund for Persons with Disabilities
8. Labour Market Agreements
9. Sector Council Program
10. Apprenticeship Incentive Grant
11. Literacy and Essential Skills
12. Workplace Skills Initiative
13. Foreign Credential Recognition Program

Learning

14. Canada Student Loans Program – Liabilities
15. Canada Student Loans Program – Interest Payments and Liabilities
16. Canada Student Loans Program – Direct Financing Arrangement
17. Canada Study Grants / Canada Access Grants / Canada Student Grant Program
18. Canada Education Savings Program – Canada Education Savings Grant and Canada Learning Bond

Labour

19. Wage Earner Protection Program

Income Security

20. Old Age Security
21. Guaranteed Income Supplement
22. Allowance Payments
23. Canada Disability Savings Grant

Social Development

24. Homelessness Partnering Strategy
25. Social Development Partnerships Program
26. New Horizons for Seniors Program
27. Universal Child Care Benefit
28. Enabling Accessibility Fund

Further information on these Programs can be found at <http://www.tbs-sct.gc.ca/rpp/2009-2010/index-eng.asp>

In accordance with the revised *Policy on Transfer Payments*, the Department of Human Resources and Skills Development Canada is issuing for 2009–2010 its first Three-Year plan for transfer payment programs. The plan will enable the Department to identify new programs as well as the continuation, amendment or termination of existing transfer payment programs. The plan will also provide the Department with a tool that can be used to track evaluations or reviews on the relevancy and effectiveness of transfer payment programs and will also identify initiatives underway to engage applicants and recipients. When ready a summary of the three-year plan will be available at:

http://www.hrsdc.gc.ca/eng/publications_resources/dpr/rpp/index.shtml

Table 2 Up-Front Multi year Funding

In 2009–2010, Human Resources and Skills Development Canada will contribute or is reporting on the following Grants:

Learning

1. The Canada Millenium Scholarship Foundation

Other initiatives

2. Canadian Council of Learning

Further information on these Programs can be found at <http://www.tbs-sct.gc.ca/rpp/2009-2010/index-eng.asp>

Table 3 Green Procurement

Table 4 Sustainable Development Strategy

Table 5 Horizontal Initiatives

During the fiscal year 2009–2010, Human Resources and Skills Development Canada will be involved in the following horizontal initiatives:

Skills and Employment

1. Aboriginal Skills and Employment Partnership Program
2. Youth Employment Strategy
3. Temporary Foreign Worker Program

Learning

4. Canada Student Loans Program

Income Security

5. National Child Benefit

Social Development

6. Homelessness Partnering Strategy
7. Early Childhood Development and Early Learning and Child Care (Lead: Health Canada)
8. Federal Elder Abuse Initiative
9. Action Plan for Official Languages (Lead: Heritage Canada)

Further information on these Programs can be found at <http://www.tbs-sct.gc.ca/rpp/2009-2010/index-eng.asp>

Table 6 Upcoming Internal Audits

Table 7 Upcoming Evaluations

Table 8 Loans (Non-Budgetary)

Table 9 Sources of Respendable and Non-Respendable Revenue

More information on Specified Purpose Accounts, Employment Insurance Part II Expenditure Plan and the Consolidated Report on Canada Student Loans can be found at

http://www.hrsdc.gc.ca/eng/publications_resources/dpr/rpp/index.shtml

3.2 Specified Purpose Accounts

Specified Purpose Accounts consist of 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 four such accounts:

- the Employment Insurance Account;
- the Canada Pension Plan;
- the Government Annuities Account; and
- the Civil Service Insurance Fund.

The Employment Insurance Account is a consolidated Specified Purpose Account and is included in the financial reporting of the Government of Canada. Consolidated Specified Purpose Accounts may be used where the activities are similar in nature to departmental activities and the transactions are not defined as financial obligations to the Department. Such accounts are budgetary and are consolidated with government revenues, expenditures and accumulated deficit.

Employment Insurance Account

The Employment Insurance Account was established in the Accounts of Canada by the *Employment Insurance Act* to record all amounts received or paid out under that Act. The *Employment Insurance Act* provides short-term financial relief and other assistance to eligible workers. The program covers all workers in an employer-employee relationship.

Employment Insurance provides:

- **Income Benefits** under Part I of the *Employment Insurance Act* provide temporary income support to claimants, including self-employed fishers, while they look for work.

- **Employment Benefits** under Part II of the *Employment Insurance Act* through a set of Employment Benefits and Support Measures that can be tailored to meet the needs of individuals and local circumstances.

Employers and workers pay all costs associated with Employment Insurance through premiums. Benefits and administrative costs are paid out of the Consolidated Revenue Fund and charged to the Employment Insurance Account.

Financial Summary

The Employment Insurance premium rate for the calendar year 2009 was set on an expected break-even basis on November 14, 2008 by the Employment Insurance Commission in accordance with the *Employment Insurance Act*. Due to the decline in the economic outlook following the setting of the 2009 premium rate and the financial impact of the measures announced in Budget 2009 – the freezing of the premium rate at 1.73% in 2010, enhancements to Employment Insurance benefits and the expansion of funding for training programs – costs are expected to exceed revenues by \$3.2 B in 2009–2010.

In Budget 2008, the Government announced improvements to the management and governance of the Employment Insurance Account through the creation of an independent Crown corporation, the Canada Employment Insurance Financing Board. Beginning in 2011, the CEIFB will be responsible for managing a separate bank account, maintaining a cash reserve as a contingency fund and implementing a new and transparent premium rate-setting mechanism that will take into account any surpluses or deficits that arise on a go-forward basis, to ensure that revenues and expenditures break even over time. The CEIFB will be mandated not to recover any deficit resulting from the enhanced benefits and training announced in Budget 2009 as to ensure the future increases in the premium rate are gradual enough to support a strong economic turnaround.

The table below summarizes the Employment Insurance premiums and expenditures from 2006–2007 financial results to 2009–2010.

EI Account Premiums and Expenditures Summary				
(millions of dollars)	Actual		Forecast	Planned Spending
	2006–2007	2007–2008	2008–2009	2009–2010
Expenditures				
EI Benefits				
Income Benefits	11,993	12,197	13,473	16,292
EBSM	2,087	2,096	2,112	2,628
Total EI Benefits	14,079	14,293	15,585	18,920
Administrative Costs	1,636	1,689	1,683	1,597
Doubtful Accounts	99	81	79	86
Sub-Total	15,815	16,063	17,347	20,603
EI Premiums and Penalties				
Premium Revenue ^a	17,109	16,877	16,988	17,301
Penalties	56	58	63	76
Sub-Total	17,165	16,935	17,051	17,377
Variance	1,351	872	(296)	(3,226)

^a The Employment Insurance premiums reported in the summary financial statements of the Government of Canada and the Federal Budget exclude the premium contributions made by the Government of Canada as an employer.

Note: Totals may not add due to rounding.

Canada Pension Plan

The Canadian Pension Plan is a Specified Purpose Account but **is not consolidated** as part of the Government of Canada financial statements. It is under joint control of the Government and participating provinces. As administrator, the Government's authority to spend is limited to the balance of the Plan.

The Canada Pension Plan is a contributory, earnings-related social insurance program. It is a joint federal-provincial plan that operates throughout Canada, except in Quebec, which has its own comparable plan. The Canada Pension Plan provides for a variety of benefits based on life changes. In addition to retirement pensions, the Canada Pension Plan also provides for survivors pensions, children's benefits,

disability pensions, disabled child contributors' benefits, as well as a one-time death benefit that cannot exceed \$2,500.

As a contributory plan, contributors are employees or self-employed people generally between the ages of 18 and 70, who earn at least a minimum amount (\$3,500) during a calendar year. Benefits are calculated based on how much and for how long a contributor has paid into the Canada Pension Plan. Benefits are not paid automatically — everyone must apply and provide proof of eligibility.

Approximately 12 million Canadians over the age of 18 currently contribute annually to the Plan and approximately 4.3 million Canadians will receive benefits during 2009–2010.

Canada Pension Plan Summary

(millions of dollars)	Actual		Forecast	Planned Spending
	2006–2007	2007–2008	2008–2009	2009–2010
Revenue				
Contributions ^a	32,355	35,346	34,023	35,313
Investment Income				
Canada Pension Plan ^b	9	11	7	8
CPP Investment Board ^c	12,788	(268)	-	-
CPP Investment Fund ^d	247	-	-	-
Total Investment Income	13,044	(257)	7	8
Total Revenue	45,399	35,089	34,030	35,321
Expenditures				
Benefit payments	26,115	27,537	28,993	30,743
Administrative expenses	574	599	627	614
Total Expenditures	26,689	28,136	29,620	31,357
Increase	18,710	6,953	4,410	3,964
Year-end balances	119,831	126,784	131,194	135,158

^a Source of Contributions Forecast 2008 through 2012 is from the 23rd Actuarial Report from the Office of the Superintendent of Financial Institutions Canada (Table 11).

^b The Canada Pension Plan investment income only includes the interest earned on the daily operating balance.

^c Canada Pension Plan Investment Board actual amounts are based on their audited financial statements. The Canada Pension Plan Investment Board invests mainly in equities. The investment income is made up of the interest from the bonds as well as the change in fair values of other varied equity investments as of that date. It is difficult to forecast a future fair value on this type of income. Therefore the forecast investment income for the years 2008–2009 forward is not provided.

^d The Canada Pension Plan Investment Fund is made up of provincial, territorial and government bonds. Since March 31, 2004, these are valued at fair value. The revenue of the Fund is made up of the interest from the bonds as well as the change in fair values of these investments. As at April 1, 2007, the Investment Fund ceased to exist as all the rights and titles of the bonds were transferred to the Canada Pension Plan Investment Board.

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, 2008, there were 1,649 outstanding deferred annuities, the last of which will come into payment around 2030.

Government Annuities Account

Statement of Operations and Actuarial Liabilities

(in millions of dollars)	Actual		Forecast	Planned
	2006–2007	2007–2008	2008–2009	2009–2010
Actuarial Liabilities –				
Balance at beginning of year	347.2	319.4	292.9	270.2
Income	23.4	21.1	20.5	18.9
Payments and other charges	48.3	45.0	41.8	39.1
Excess of Payments and other charges over income for the year	24.9	23.9	21.3	20.2
Actuarial Surplus	2.9	2.6	1.4	1.3
Actuarial Liabilities –				
Balance at year-end	319.4	292.9	270.2	248.7

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, 2008 was 1,254 and the average age of the policy holders was 88.4 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

Statement of Operations and Balance

(millions of dollars)	Actual		Forecast	Planned
	2006–2007	2007–2008	2008–2009	2009–2010
Opening Balance	6.3	6.0	5.9	5.7
Income and other credits	0.0	0.1	0.1	0.1
Payments and other charges	0.3	0.2	0.3	0.3
Excess of payments and other charges over income for the year	0.3	0.1	0.2	0.2
Closing Balance	6.0	5.9	5.7	5.5

3.3 Employment Insurance Part II

Part II of the *Employment Insurance Act* commits the federal government to work in concert with provinces and territories to put in place active employment programs to help unemployed Canadians integrate into the labour market. These programs are called Employment Benefits and Support Measures and active employment programs similar to Employment Benefits and Support Measures.

Since provinces and territories are best placed to determine the mix of employment programming that is required to meet their local and regional labour market needs, most Employment Benefits and Support Measures are delivered through transfer Labour Market Development Agreements between Canada and the provinces and territories. In some jurisdictions, Labour Market Development

Agreements take the form of co-managed agreements, and employment programming is delivered by Service Canada/HRSDC.

Employment Benefits and Support Measures comprise five employment benefit programs — Targeted Wage Subsidies, Self-Employment, Job Creation Partnerships, Skills Development and Targeted Earnings Supplements — and three support measures — Employment Services, Labour Market Partnerships and Research and Innovation.

Financial Data

For 2009–2010, the pre-Budget 2009 Employment Insurance Part II expenditure authority was \$2,165.03M. As a result of the increase in Part II funding of \$500M announced in Budget 2009, the total 2009–2010 expenditure authority will increase to \$2,665.03M.

Some of the savings from Part I income benefits generated by the Employment Insurance reform are

2009–2010 Employment Insurance Plan

(millions of dollars)	Base ^a	Re-Investment ^a	Total Plan ^a
Newfoundland and Labrador	60.3	73.1	133.4
Nova Scotia	50.9	30.3	81.3
New Brunswick	50.2	42.1	92.3
Prince Edward Island	17.1	10.0	27.2
Quebec	350.3	248.1	598.4
Ontario	354.1	184.1	538.2
Manitoba	35.6	10.2	45.8
Saskatchewan	28.6	9.9	38.5
Alberta	68.7	35.9	104.7
Northwest Territories	1.7	1.6	3.3
Nunavut	1.9	1.0	2.8
British Columbia	128.9	151.7	280.6
Yukon	1.6	2.0	3.7
	1,150.0	800.0	1,950.0
Pan-Canadian Responsibilities ^b	177.8	0.0	177.8
Employment Insurance Training and Support Programs ^c	500.0	0.0	500.0
Total Pan-Canadian	677.8	0.0	677.8
Funds available for Employment Benefits and Support Measures	1,827.8	800.0	2,627.8

^a Totals may not add due to rounding.

^b Funds earmarked for Pan-Canadian priorities, such as Aboriginal programming, sectoral and innovations projects.

^c Additional funding announced in Budget 2009.

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 \$800M in 2000–2001.

3.4 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. This consolidated report on Canada Student Loans Program reports expenditures made under the authority of the *Canada Student Loans Act* and *Canada Student Financial Assistance Act* only; it does not include departmental operations related to the delivery of the CSLP. Additional details on the Consolidated Report on Canada Student Loans can be found at http://www.hrsdc.gc.ca/eng/publications_resources/dpr/rpp/index.shtml

Consolidated Canada Student Loans Programs
Combined Programs

(millions of dollars)	Actual		Forecast	Planned Spending ^e		
	2006–2007	2007–2008	2008–2009	2009–2010	2010–2011	2011–2012
Revenue						
Interest Revenue on Direct Loans	453.3	552.4	525.7	532.1	583.5	636.4
Recoveries on guaranteed Loans ^a	55.3	46.6	34.7	24.7	19.2	18.4
Recoveries On Put-Back Loans ^a	14.5	13.5	10.5	7.4	5.6	5.2
Total Revenue	523.1	612.5	570.9	564.2	608.3	660.0
Expenses						
Transfer Payments						
Canada Student Grants Programs	146.4	161.5	161.3	511.5	559.3	574.9
Total Transfer Payments Expenses	146.4	161.5	161.3	511.5	559.3	574.9
Loan Administration						
Collection Costs ^a	12.4	14.4	12.2	3.7	0.0	0.0
Program Delivery Costs	65.6	70.8	81.3	60.9	57.8	56.1
Risk Premium	1.8	1.3	1.2	1.0	0.4	0.2
Put-Back	4.7	3.8	4.0	3.3	2.5	2.0
Administrative Fees to Provinces and Territories and SIF	14.7	13.7	14.9	20.1	22.3	22.3
Total Loan Administration Expenses	99.2	104.0	113.6	89.0	83.0	80.6
Cost of Government Support						
Benefits Provided to Students						
In-Study Interest Borrowing Expense (Class A) ^b	185.7	188.6	170.4	184.7	198.2	208.0
In Repayment Interest Borrowing Expense (Class B) ^b	145.0	166.2	159.4	210.4	238.2	260.9
In-Study Interest Subsidy (Class A)	11.5	8.0	4.9	3.5	1.5	0.6
Repayment Assistance Programs	104.3	107.5	106.2	128.9	124.7	121.3
Claims Paid & Loans Forgiven	24.2	17.0	22.8	11.8	10.0	9.4
Bad Debt Expense^c						
Debt Reduction in Repayment Expense	9.6	12.4	14.1	12.8	12.8	13.0
Bad Debt Expense	260.4	305.7	343.8	326.6	338.2	354.7
Total Cost of Government Support Expenses	740.7	805.4	821.6	878.7	923.6	967.9
Total Expenses	986.3	1,070.9	1,096.5	1,479.2	1,565.9	1,623.4
Net Operating Results	463.2	458.4	525.6	915.0	957.6	963.4
Alternative Payments to Non-Participating Province and Territories ^d	91.3	113.9	88.3	90.5	85.0	76.0
Final Operating Results	554.5	572.3	613.9	1,005.5	1,042.6	1,039.4

^a These costs are related to Canada Student Loans Program but are now reported by Canada Revenue Agency.

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

^c This represents the annual expense adjustment to the Provisions for Bad Debt and Debt Reduction in Repayment as required under Accrual Accounting. They will be included in future reports following consultation with the Office of the Chief Actuary.

^d The figures represent the annual expense recorded under the Accrual Accounting as opposed to the actual amount disbursed to the Non-Participating Province and Territories. The actual cash expense for Alternative Payments to Non-Participating Provinces and Territories. The actual cash expense for Alternative Payments to Non-Participating Provinces and Territories for 2007–2008 was \$115.8M.

^e 2008–2009 and ongoing planned spending years include Canada Student Loans Program related amounts stemming from the Budget 2008 announcement (except for the alternative payments).

3.5 Other Items of Interest

Legislative Mandate

On February 6, 2006, Human Resources and Skills Development Canada and the former Social Development Canada were consolidated into the Department of Human Resources and Skills Development to be styled Human Resources and Social Development. The Department was subsequently renamed Human Resources and Skills Development Canada in 2008. The powers, duties and functions of the Minister of Social Development were transferred to the Minister of Human Resources and Skills Development. The Minister was also made responsible for the Canada Mortgage and Housing Corporation. Further, a Secretary of State for Seniors was appointed on January 4, 2007 to ensure seniors' issues are adequately addressed.

Until new legislation is enacted, the Minister will rely on the provisions of the *Department of Human Resources and Skills Development Act* and the *Department of Social Development Act* for specific authorities.

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

The *Department of Human Resources and Skills Development Act* provides for the appointment of a Minister of Labour who is responsible for the *Canada Labour Code* and the *Employment Equity Act*, as well

as other legislation on wages, working conditions and injury compensation. The departmental statute provides that the Minister of Labour make use of the services and facilities of the Department. The Act also sets out the mandate of the Minister of Labour to promote safe, healthy, fair, stable, cooperative and productive workplaces. The Minister of Labour is also responsible for the Canada Industrial Relations Board, the Canadian Centre for Occupational Health and Safety, and the Canadian Artists and Producers Professional Relations Tribunal.

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

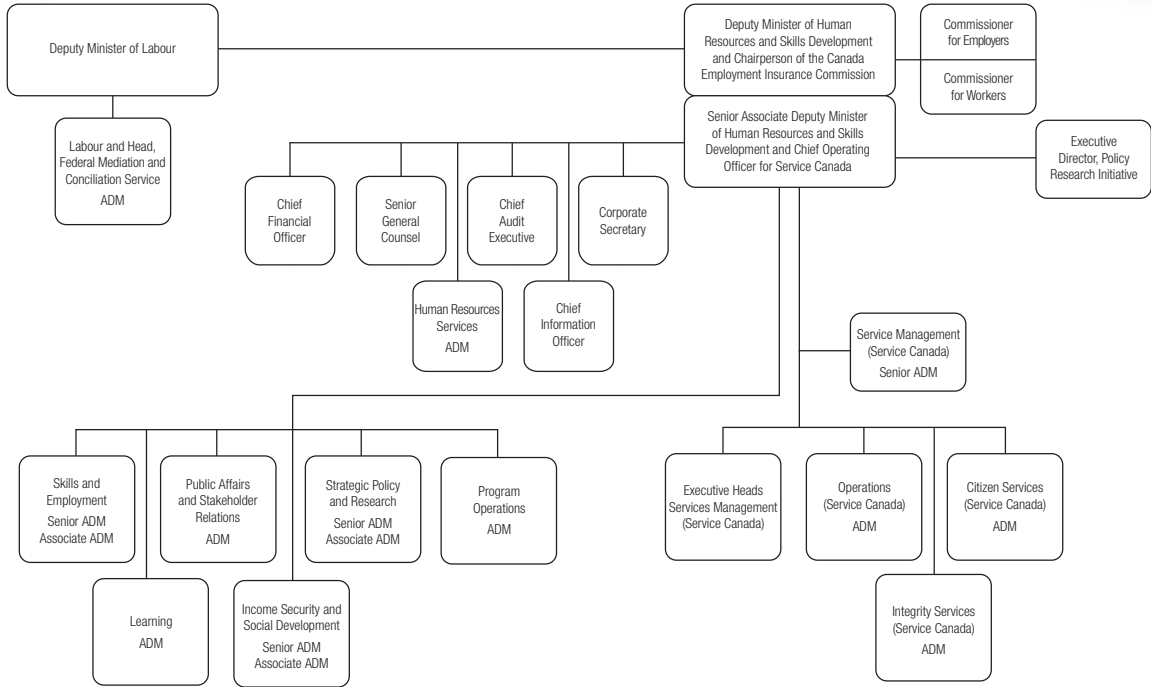
Service Canada operates within the legislative mandate and framework of the current departmental legislation (*Department of Human Resources and Skills Development Act* and the *Department of Social Development Act*). Its mandate is to work in collaboration with federal departments, other levels of government and community service providers to bring services and benefits together in a single service delivery network.

On June 1, 2006, the Policy Research Initiative was transferred from the Privy Council Office to the Department. It leads horizontal research projects in support of the medium-term policy agenda of the Government of Canada and identifies data needs and priorities for future policy development.

3.6 Organizational Structure

Human Resources and Skills Development Canada

Departmental Structure



3.7 Website References

Skills and Employment

Employment Insurance Benefits

<http://www1.servicecanada.gc.ca/en/ei/menu/eihome.shtml>

Labour Market Development Agreements

<http://www1.servicecanada.gc.ca/eng/employment/partnerships/index.shtml>

Aboriginal Human Resources Development Strategy

<http://www8.hrsdc.gc.ca>

Aboriginal Skills and Employment Partnerships

<http://www8.hrsdc.gc.ca/general/public/asep-pcea/asep-pcea-eng.asp>

Enabling fund for Official Language Minority Communities

<http://www1.servicecanada.gc.ca/en/epb/olscf/fund.shtml>

Labour Market Agreements

<http://www1.servicecanada.gc.ca/eng/employment/partnerships/index.shtml>

Labour Market Agreements for Persons with Disabilities

http://www.hrsdc.gc.ca/eng/disability_issues/labour_market_agreements/index.shtml

Opportunities Fund for Persons with Disabilities

http://www.hrsdc.gc.ca/en/disability_issues/funding_programs/opportunities_fund/index.shtml

Targeted Initiative for Older Workers

http://www.hrsdc.gc.ca/en/employment/employment_measures/older_workers/index.shtml

Youth Employment Strategy

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

Sector Council Program

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

Trades and Apprenticeship

http://www.hrsdc.gc.ca/en/workplaceskills/trades_apprenticeship/index.shtml

Apprenticeship Incentive Grant

http://www.hrsdc.gc.ca/eng/workplaceskills/trades_apprenticeship/AIG/index.shtml

Literacy and Essential Skills

http://www.hrsdc.gc.ca/en/workplaceskills/oles/olesindex_en.shtml

Workplace Skills Initiative

<http://www.hrsdc.gc.ca/en/ws/initiatives/wsi/index.shtml>

Inter-provincial Labour Mobility

http://www.hrsdc.gc.ca/en/workplaceskills/labour_mobility/index.shtml

Labour Market Information

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

Temporary Foreign Worker Program

http://www.hrsdc.gc.ca/en/workplaceskills/foreign_workers/index.shtml

Foreign Credential Recognition

http://www.hrsdc.gc.ca/en/workplaceskills/credential_recognition/index.shtml

Learning

Learning – CanLearn

<http://www.canlearn.ca/eng/index.shtml>

Canada Student Loans and Grants

http://www.hrsdc.gc.ca/eng/learning/canada_student_loan/index.shtml

Canada Education Savings Program

http://www.hrsdc.gc.ca/eng/learning/education_savings/index.shtml

International Academic Mobility Initiative

<http://www.hrsdc.gc.ca/eng/learning/exchanges/index.shtml>

Labour

Labour Program

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

Collective Bargaining

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

Federal Mediation and Conciliation Service

http://www.hrsdc.gc.ca/en/labour/labour_relations/mediation/index.shtml

Federal Workers' Compensation

http://www.hrsdc.gc.ca/en/labour/workers_compensation/index.shtml

Fire Protection Services

http://www.hrsdc.gc.ca/en/labour/fire_protection/index.shtml

International Labour Affairs

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

Labour Law Analysis

http://www.hrsdc.gc.ca/en/labour/labour_law/index.shtml

Employment Standards

http://www.hrsdc.gc.ca/en/labour/employment_standards/index.shtml

Occupational Health and Safety

<http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/lp/lo/ohs/overview/index-ohs.shtml&hs=oxs>

Workplace Equity

<http://www.hrsdc.gc.ca/asp/gateway.asp?hr=en/lp/lo/lsw/we/information/overview.shtml&hs=wzp>

Work-Life Balance

<http://www.hrsdc.gc.ca/eng/lp/spila/wlb/01home.shtml>

The Aging Workforce

http://www.hrsdc.gc.ca/eng/lp/spila/wlb/aw/01aging_workforce.shtml

Income Security

Old Age Security Program (OAS) and Canada Pension Plan (CPP)

www.hrsdc.gc.ca/en/oas-cpp/index.shtml

Seniors

www.hrsdc.gc.ca/en/corporate/seniors/index.shtml

Registered Disability Savings Plan

www.hrsdc.gc.ca/eng/disability_issues/disability_savings/index.shtml

The National Child Benefit

www.nationalchildbenefit.ca

Social Development

Persons with Disabilities

www.hrsdc.gc.ca/en/gateways/individuals/audiences/pd.shtml

The Homelessness Partnering Strategy

www.hrsdc.gc.ca/eng/homelessness/index.shtml

The Social Development Partnerships Programs (SDPP)

www.hrsdc.gc.ca/eng/community_partnerships/sdpp/index.shtml

New Horizons for Seniors Program (NHSP)

www.hrsdc.gc.ca/en/community_partnerships/seniors/index.shtml

Canada's Universal Child Care Plan

www.universalchildcare.ca

Enabling Accessibility Fund

www.hrsdc.gc.ca/eng/disability_issues/eaf/call2008/index.shtml