



Human Resources Development Canada

Performance Report

For the period ending
March 31, 2002

Canada

The Estimates Documents

Each year, the government prepares Estimates in support of its request to Parliament for authority to spend public monies. This request is formalized through the tabling of appropriation bills in Parliament.

The Estimates of the Government of Canada are structured in several parts. Beginning with an overview of total government spending in Part I, the documents become increasingly more specific. Part II outlines spending according to departments, agencies and programs and contains the proposed wording of the conditions governing spending which Parliament will be asked to approve.

The *Report on Plans and Priorities* provides additional detail on each department and its programs primarily in terms of more strategically oriented planning and results information with a focus on outcomes.

The *Departmental Performance Report* provides a focus on results-based accountability by reporting on accomplishments achieved against the performance expectations and results commitments as set out in the spring *Report on Plans and Priorities*.

The Estimates, along with the Minister of Finance's Budget, reflect the government's annual budget planning and resource allocation priorities. In combination with the subsequent reporting of financial results in the Public Accounts and of accomplishments achieved in Departmental Performance Reports, this material helps Parliament hold the government to account for the allocation and management of funds.

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Foreword

In the spring of 2000, the President of the Treasury Board tabled in Parliament the document “Results for Canadians: A Management Framework for the Government of Canada”. This document sets a clear agenda for improving and modernising management practices in federal departments and agencies.

Four key management commitments form the basis for this vision of how the Government will deliver their services and benefits to Canadians in the new millennium. In this vision, departments and agencies recognise that they exist to serve Canadians and that a “citizen focus” shapes all activities, programs and services. This vision commits the Government of Canada to manage its business by the highest public service values. Responsible spending means spending wisely on the things that matter to Canadians. And finally, this vision sets a clear focus on results – the impact and effects of programs.

Departmental performance reports play a key role in the cycle of planning, monitoring, evaluating, and reporting of results through ministers to Parliament and citizens. Departments and agencies are encouraged to prepare their reports following certain principles. Based on these principles, an effective report provides a coherent and balanced picture of performance that is brief and to the point. It focuses on outcomes - benefits to Canadians and Canadian society - and describes the contribution the organisation has made toward those outcomes. It sets the department’s performance in context and discusses risks and challenges faced by the organisation in delivering its commitments. The report also associates performance with earlier commitments as well as achievements realised in partnership with other governmental and non-governmental organisations. Supporting the need for responsible spending, it links resources to results. Finally, the report is credible because it substantiates the performance information with appropriate methodologies and relevant data.

In performance reports, departments and agencies strive to respond to the ongoing and evolving information needs of parliamentarians and Canadians. The input of parliamentarians and other readers can do much to improve these reports over time. The reader is encouraged to assess the performance of the organisation according to the principles outlined above, and provide comments to the department or agency that will help it in the next cycle of planning and reporting.

This report is accessible electronically from the Treasury Board of Canada Secretariat Internet site:
<http://www.tbs-sct.gc.ca/rma/dpr/dpre.asp>

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Human Resources Development Canada

Departmental Performance Report For the period ending March 31, 2002

Approved by:

The Honourable Jane Stewart, P.C., M.P.
Minister of Human Resources Development Canada

The Honourable Claudette Bradshaw, P.C., M.P.
Minister of Labour and Federal Co-ordinator on Homelessness

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The 2001 Speech from the Throne set out an ambitious agenda for the Government of Canada. It put enabling the fullest possible participation of all Canadians in our economy and society at the centre of government priorities. Throughout 2001-2002, Human Resources Development Canada (HRDC) made important contributions to translating that agenda into results for Canadians.

For example, HRDC is leading the way on the government's work to ensure that all Canadians have the skills and learning for a changing economy and society. To work towards an action plan for what Canada could achieve and how we can do it, "Knowledge Matters: Skills and Learning for Canadians" analyzed the issues and proposed goals and milestones as part of Canada's Innovation Strategy.

HRDC's role to open doors for Canadians went much further than that. Our policies, programs and services reached out to Canadians of all ages, ranging from children and families assisted through the National Child Benefit and improved Employment Insurance benefits to students assisted by Canada Student Loans and Canada Study Grants, and seniors receiving Canada Pension Plan and Old Age Security benefits.

Equally important was our commitment to provide services in the most modern ways. We made major strides in bringing our programs and services on-line. We continued to expand the information on jobs, learning and social and workplace topics that are available at the click of a mouse. This leadership in making the Government of Canada the most connected to its citizens is also part of our contribution to building a strong and vibrant place for Canada and all Canadians in an exciting and competitive world.

*The Honourable Jane Stewart, P.C., M.P.
Minister of Human Resources Development Canada*

This past year has been an exciting and productive time in areas under my responsibility—labour and homelessness—and I am very pleased to report on the Government of Canada's progress.

Over the course of 2001-2002, the Labour Program continued its mission to promote a fair, healthy, safe and productive working environment. Our policies and activities fostered constructive labour-management relations and equipped Canadians with the skills needed to respond to emerging trends in the workplace.

Our work concentrated on mediation and conciliation, occupational health and safety and labour regulations under the *Canada Labour Code*, including provisions to address ergonomics and violence in the workplace. Further progress was made with the review of the *Employment Equity Act* and on international labour relations as the Labour Program worked to achieve the right balance among the interests of employees, organized labour and employers.

The same commitment to leadership, partnership and results is at work in our government's efforts to address homelessness. In my role as Federal Coordinator on Homelessness, I have had the opportunity to visit many communities across Canada and see the way governments and local groups have joined together to make a real difference in helping to prevent and alleviate homelessness. I am proud of the way the Government of Canada and communities across the country have worked together to identify priorities and develop local solutions to help Canada's homeless people.

The contributions of both the Labour Program and the National Homelessness Initiative are an important part of the Government of Canada's commitment to building a stronger and more inclusive Canada. And, I strongly believe the progress made this year reaffirms that commitment.



The Honourable Claudette Bradshaw, P.C., M.P.
Minister of Labour and Federal Co-ordinator on Homelessness

Who we are

Human Resources Development Canada (HRDC) represents the social face of the Government of Canada. Our Mission expresses our ultimate goal and our Vision guides us on what we do and how we do it.¹

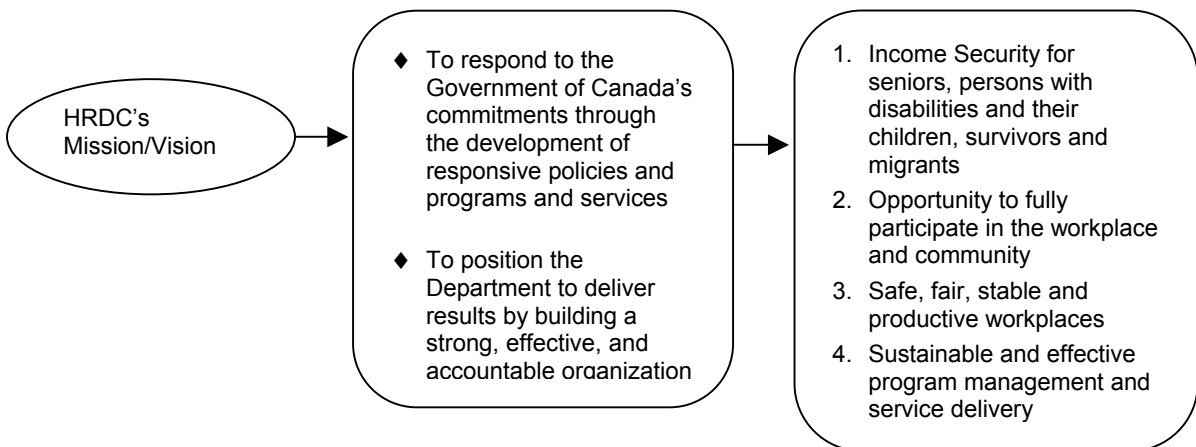
Our **Mission** is: “To enable Canadians to participate fully in the workplace and the community”.

The *Department of Human Resources Development Act* sets out HRDC’s **mandate** to the government and to Canadians. This is to develop the human resources of Canada with the objective of enhancing employment, encouraging equality and promoting social security, and overseeing labour issues that have not been assigned to any other department, board or agency of the Government of Canada and over which Parliament has jurisdiction. Our mandate is oriented to the needs of Canadians of all ages (children, youth, working age adults, seniors) as well as those with distinct needs (Aboriginal people, Canadians with disabilities, homeless Canadians and others). Citizen-focused service delivery guides our efforts to enable Canadians to participate fully in the workplace and the community.

The Department has identified four main strategic outcomes that reflect how our work is expected to generate benefits for Canadians and achieve appropriate levels of effective, efficient and citizen-centred management.

We have defined core activities that translate into policy commitments and leadership for Canadians. They also mean dedication to maintaining high quality programs and services for Canadians. These activities take place through **programs** and **services** that our staff at headquarters and in our offices across Canada deliver to Canadians through all channels of HRDC’s Service Delivery Network. Most are grounded in meeting requirements of **legislation**, such as the *Employment Insurance Act*, the *Canada Pension Plan Act*, the *Old Age Security Act*, the *Canada Labour Code*, the *Employment Equity Act*, and the *Canada Student Financial Assistance Act*.

The following diagram represents the objectives and the strategic outcomes that are derived from our Mission and our Vision.



¹ For HRDC’s Vision, see *Handbook on Values and Ethics in HRDC* at <http://www.hrdc-drhc.gc.ca/dept/mission/handbook.shtml>

How We Serve Canadians

Canadians turn to HRDC for programs and services at all stages of their lives. For example, in 2001-2002, we received 42 million inquiries to our call centres, distributed Income Security Programs benefits to 4.6 million Canadians, processed 2.9 million Employment Insurance claims and provided \$1.5 billion in loans and study grants to more than 440,000 students. We also provided information on social service, workplace and labour market topics through our publications, websites and directly from our staff.

“Serving the public interest means addressing the needs of citizens, clients and taxpayers in a balanced way.”

[Results for Canadians]

We deliver our programs and services through people, partnerships and technology. We do so in a multi-channel environment including in-person service, electronic service via kiosks, telephone, Internet and mail. Our Modernizing Service for Canadians Initiative and our Service Delivery Policy guide our decisions on the design and delivery of our services to ensure they are integrated and citizen-focused.

With close to 26,000 employees, HRDC’s Service Delivery Network is composed of 100 main Human Resource Centres of Canada (HRCCs) and 220 satellite offices in communities. The delivery network includes 21 call centres (11 Employment Insurance call centres, and 10 Income Security Programs call centres), 4 regional Information Technology Centres and more than 5,000 interactive kiosks. Through our Internet site, HRDC provides extensive information on programs and services, with our electronic Job Bank being, by far, the most popular government website.

One indication of the strength of our service delivery presence is the agreement with Treasury Board Secretariat (TBS) that HRDC would take over management of the Service Canada in-person network that TBS had launched, effective April 1st, 2002. The result means HRDC is responsible for managing a service that provides information to Canadians on all Government of Canada programs and services from centres located in 64 HRDC locations, 156 Canada Post sites and 8 Department of Canadian Heritage offices. As well, HRDC has assumed leadership and management responsibility for the “Canadians Gateway”,² the primary entrance to the government’s main website, the “Canada Site”.³ Citizens are able to obtain information on all Government of Canada programs and services from one location.

“Responsive and well-managed federal organizations, oriented to the needs of citizens and working in collaboration with other levels of government and with the private and not-for-profit sectors, are critical to the achievement of national goals.”

[Results for Canadians]

To ensure better co-ordinated, more effective and efficient policies, programs and services, we often seek results through collaborative arrangements with partners such as provincial and territorial governments, as well as Aboriginal organizations. Our partners use funds from HRDC to design and deliver programs and services that meet shared social and labour market priorities. We increasingly work with the voluntary and private sectors, labour and educators, as well as communities to achieve our goals. These partnerships are expected to show the same accountability for results and appropriate and effective use of public funds that we require from internal HRDC units.

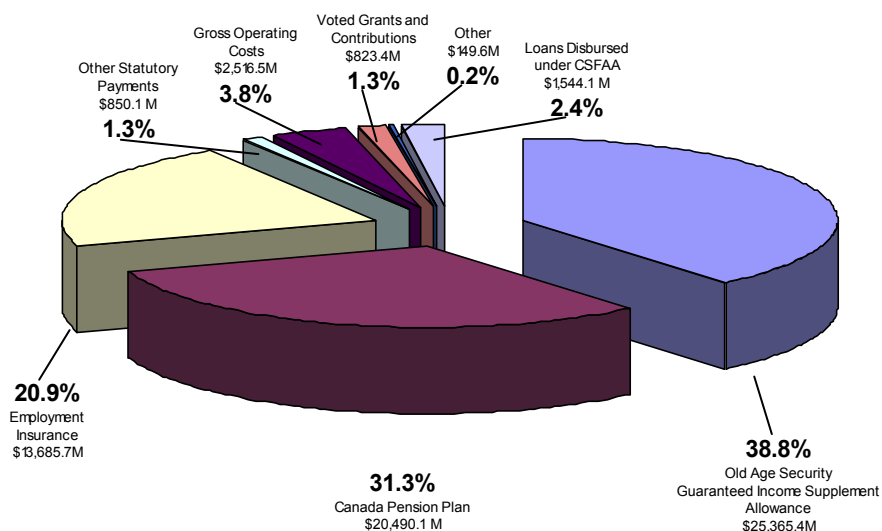
² For further information on the Canadians Gateway, see http://canada.gc.ca/cdns/indiv_e.html

³ For further information on the Canada Site, see http://www.Canada.gc.ca/main_e.html

2001-2002 Expenditure Profile

Although HRDC has the greatest expenditure on programs and services of any department at \$65 billion, more than \$60 billion, or 92% of this spending, goes directly to individual Canadians through the Employment Insurance (EI), Canada Pension Plan (CPP), Old Age Security (OAS) programs, Canada Student Loans and other statutory transfer payments.

CONSOLIDATED TOTAL: \$65,424.9M



HRDC'S GROSS EXPENDITURES		STATUTORY TRANSFER PAYMENTS	
Budgetary		Grants and Contributions:	
Net Operating Costs	882.5	Old Age Security programs	25,365.4
Add Recoveries in relation to:		Other Statutory Payments:	
Canada Pension Plan	246.9	Canada Student Loans	449.0
Employment Insurance Account	1,318.1	Canada Education Savings Grant	334.2
Workers Compensation	69.0	Others	1.3
Gross Operating Costs	2,516.5	Total	26,149.9
Voted Grants and Contributions	823.4	Canada Pension Plan benefits	20,490.1
Total Gross Expenditures	3,339.9	Employment Insurance benefits	
		Part I	11,602.0
Other – Workers Compensation and EI/CPP Charges and Recoveries	149.6	Part II	2,083.7
		Other Specified Purpose Accounts^a	65.6
Non-Budgetary		Total Statutory Transfer Payments	60,391.3
Loans disbursed under <i>Canada Student Financial Assistance Act (CSFAA)</i>	1,544.1		

a. Includes payments related to Government Annuities Account and Civil Service Insurance Fund.

Departmental Context and Operating Environment

HRDC policies and programs are designed to respond to changes in social, economic and labour market conditions that affect Canadians and their communities most. In 2001-2002, our environment was marked by a series of factors that required us to reallocate resources and corporate priorities in order to better meet our mandate.

Following relatively strong growth from the period 1998-2000, economic growth in 2001-2002 was lower than anticipated. Canada experienced economic slowdown in early 2001 which was worsened by the events following the September 11th terrorist attacks on the United States. That was followed by modest growth in early 2002.

The effect was most evident in the labour market. Total employment grew by 1.0% in 2001, translating into just over 150,000 new jobs compared to a growth rate of 2.6% with more than 360,000 new jobs in 2000. The unemployment rate at the beginning of 2001-2002 was 7.0%. In the aftermath of the September 11th terrorist attacks, the Canadian economy contracted further with employment falling in almost all sectors. In December 2001, the unemployment rate posted its highest level (8.0%) since the spring of 1999. Although the economy rebounded in the first three months of 2002, the unemployment rate (7.7%) was still higher than was anticipated at the beginning of the fiscal year.

The increased volume of Employment Insurance claims reflected the reality of slower than projected level of economic growth. The estimated number of Canadians who received Employment Insurance benefits in March 2002 was over 1,000,000, 18.8% higher than in March 2001. Total benefits paid in March 2002 were 17.8% higher than in March 2001.

During 2001-2002, we also had to respond to changes in local and sectoral labour markets, such as the conditions facing Canada's softwood lumber industry and many parts of the agricultural industry. Tourism, trucking, air travel, accommodation and related service industries were all affected significantly by the events of September 11th. The resulting layoffs and job losses led us to adjust priorities and resources to meet the needs of the Canadians and communities that were affected. In response to the need to reallocate resources, significant efforts were directed at implementing work-sharing agreements to reduce the number of workers who otherwise would have been laid off. This reduced the impact on Employment Insurance claims.

During 2001-2002, we also ensured that Canadian workplaces were safe, fair, stable and productive through the administration of legislation that governs occupational health and safety, labour standards and labour relations for federally-regulated workplaces. A key accomplishment in this fiscal year included ensuring that workplace concerns were addressed in the modernization of the *Canadian Human Rights Act* and the resolution of 93.7% of collective bargaining disputes without a work stoppage.

More generally, we saw a continued shift to a demand for workers with stronger and more varied skills. Shortages of skilled workers in many occupations and industries existed alongside large numbers of Canadians without sufficient literacy and employability skills for an increasingly knowledge-based economy. Jobs requiring less

than high school completion continued to decline, while occupations requiring post-secondary training accounted for most new jobs.

During 2001-2002, in our effort to provide opportunities for all Canadians to fully participate in the workplace and community, we supported the process that led to the release of the Government of Canada paper *Knowledge Matters: Skills and Learning for Canadians*. This is the beginning of an extensive engagement strategy that involves all our partners with particular emphasis on children and youth, post-secondary education, adult learning and immigration.

During 2001-2002, HRDC continued to play an important role in meeting the needs of Canadians with special needs including children, youth, Aboriginal people, seniors, persons with disabilities and immigrants. Our contribution to work on children and youth issues included continued support for Government of Canada collaborative work with the provinces and territories to strengthen supports for children and families through the National Child Benefits, the National Children's Agenda and the Early Childhood Development Agreement. We also supported programs that assisted young Canadians to make a successful transition from school to work and to succeed in the labour market.

In 2001-2002, Canadian seniors constituted the fastest growing population group. It was estimated that close to 4 million Canadians were 65 years of age or older, representing about 13.0% of the population. This resulted in an increased number of people who were eligible for seniors' benefits during 2001-2002. HRDC responded to the growing demand through continuing efforts to ensure effective service delivery.

Aboriginal people continued to face great challenges according to every social and labour market indicator. The 2001 Speech from the Throne outlined the Government of Canada's commitment to work with Aboriginal communities to help ensure that Aboriginal children receive the best possible start in life. New investments were announced in the 2001 budget in response to this commitment. Given our longstanding involvement in social and labour market programs and services designed to meet the needs of Aboriginal people, a particular focus for HRDC was to ensure effective partnerships with Aboriginal groups and other government departments. These partnerships support the government's commitment, support the implementation of the new investments, and address the needs of a growing Aboriginal population.

Many persons with disabilities continue to face challenges in finding and retaining employment. According to the most recent data from the Health and Activity Limitation Survey, while 29% of persons with a mild disability are not in the labour force, this proportion is three-quarters higher for persons with a severe disability. During 2001-2002, our work focused on improving the delivery of disability benefits, including CPP disability benefits and Employment Insurance sickness benefits. We also continued to support persons with disabilities in their attempts to return to the workplace.

In recognition of the growing need for immigrant workers in the Canadian labour market, HRDC continued to support the Government of Canada's immigration policies during 2001-2002 by working in partnership with other government departments to ensure that Canada continues to attract the highly skilled immigrants it needs and helps them to achieve full integration within labour markets. We negotiated and administered social security agreements with other countries to ensure reciprocity in the collection of pensions.

The adoption of new technologies to modernize government is a major ongoing federal priority that is currently transforming the public service. HRDC is a leading department in the delivery of services to Canadians and we play a pivotal role in the Government of Canada's commitment to being the government most connected to its citizens by 2005. During 2001-2002, rapid changes in technology and the public's expectation for high quality services from government continued to encourage HRDC to explore and implement the electronic delivery of programs and services and the development of essential supports, such as appropriate levels of security. The Modernizing Service for Canadians Initiative has been developed to essentially put citizens first in transforming and integrating government services. It builds on our on-line service initiative as well as initiatives to improve our IT infrastructure and our Service Delivery Network.

Our Strategic Outcomes and Service Lines

During 2001-2002, HRDC pursued priorities and results toward the achievement of the Strategic Outcomes that we endeavour to provide for Canadians. Each Strategic Outcome is the focus of an individual section of this report, which includes our accomplishments and results, including related performance indicators.

The table below identifies the four strategic outcomes and our service lines: Income Security (IS), Employment Insurance Income Benefits (EIIB), Human Resources Investment (HRI), Labour (LAB), Service Delivery Support (SDS) and Corporate Services (CS).

Our Strategic Outcomes	Our Service Lines					
	IS \$46,143M FTEs: 3,949	EIIB \$12,218M FTEs: 7,576	HRI \$5,716M FTEs: 4,013	LAB \$179M FTEs: 682	SDS \$515M FTEs: 4,518	CS \$505M FTEs: 3,047
1. Income security for seniors, persons with disabilities and their children, survivors and migrants (Page 11)	✓					
2. Opportunity to fully participate in the workplace and community (Page 18)		✓	✓			
3. Safe, fair, stable and productive workplaces (Page 36)				✓		
4. Sustainable and effective program management and service delivery (Page 41)	✓	✓	✓	✓	✓	✓
Total HRDC Service Lines	\$65,276M					
Other Costs	\$149M					
Consolidated Total	\$65,425M	FTEs: 23,785				

Income security for seniors, persons with disabilities and their children, survivors and migrants

Human Resources Development Canada (HRDC) administers the Government of Canada's public pensions. This means we play an important role in the lives of Canadians by promoting and strengthening income security for seniors, persons with disabilities and their children, survivors and migrants to and from Canada.

The Canada Pension Plan (CPP) and the Old Age Security (OAS) programs together comprise the largest annual federal government expenditure. Since their beginning some 75 years ago, these programs — and the OAS's related assistance programs for lower income seniors: the Guaranteed Income Supplement (GIS), the Allowance and Allowance for the Survivor — have resulted in significant improvement in the quality of the lives of Canadians.

In 1980, almost 21% of all seniors in Canada were living below the poverty line.⁴ By 1999, the year for which the most recent statistics are available, this number had been reduced to 8.2%.⁵ This substantial reduction can be attributed largely to the CPP and the Quebec Pension Plan and amendments to the OAS program.

This major social policy achievement has earned international attention for Canada as a country with a model income retirement system. The incidence of seniors with low income in Canada is among the lowest of all member states of the Organization for Economic Co-operation and Development (OECD).

Ensuring that Canada's public pension system continues to be strong, effective and affordable is a public policy priority.

The following payments have been directed to Canadians during the last three years.

STATUTORY AND NON-STATUTORY TRANSFER PAYMENTS^a

(millions of dollars)	Actual		
	1999-2000	2000-2001	2001-2002
Old Age Security Related Transfer Payments ^b	23,414.4	24,258.5	25,365.4
CPP Benefit Payments ^c	18,799.0	19,494.0	20,490.1
Total	42,213.4	43,752.5	45,855.4

- a. For complete financial information by Service Line, see Figures 2 to 5 on pages 55 to 59.
 b. For additional OAS information, see pages 87 and 88.
 c. For additional CPP information, see page 64.

⁴ Statistics Canada's 1998 "Low-Income Cut-Off" (LICO) data as reported in *Low Income Among Canada's Seniors*.

⁵ Statistics Canada, Catalogue No. 75-202 XIE.

In our *2001-2002 Report on Plans and Priorities* we identified one major priority relating to this strategic outcome: *Continuous Improvement in the Canada Pension Plan Disability Benefits*. These improvements were driven by a client-centred service delivery approach and aimed at helping Canadians understand the CPP Disability program and the range of support services available to them. During the past year we also worked on emerging priorities for our other client groups which include: seniors, seniors with low incomes, survivors, migrants and CPP contributors.

A table summarizing all performance indicators related to this strategic outcome is on page 17.

Benefits to Canadians:

Improving the lives of Canadians through income security for seniors, persons with disabilities and their children, survivors and migrants.

Seniors

The public pension system is the Government of Canada's most tangible means of providing for seniors. While its value is not limited to one age group, its impact is particularly clear for seniors.

Our senior clients are those who are eligible for and receive an OAS and/or a CPP retirement pension. To receive OAS, an individual living in Canada must be 65 years of age, a Canadian citizen or legal resident, and have lived in Canada for at least 10 years after reaching age 18. The CPP Retirement pension can be taken as early as age 60, and individuals must have made at least one valid contribution to the Plan to receive a monthly benefit.

Approximately 4 million seniors received \$19.8 billion in OAS payments from the Government of Canada in 2001-2002. 1.4 million of these individuals also received another \$5.2 billion in Guaranteed Income Supplement (GIS) benefits. When CPP Retirement benefits are included, total public pension payments made by the Government of Canada to seniors amounted to more than \$39.3 billion during the year.

Apart from retirement pensions, benefits are also available under the OAS and CPP programs to aid Canadians through other life events, such as an individual surviving the death of a spouse or becoming disabled. In 2001-2002, the Government of Canada paid out \$45.8 billion for all benefits under OAS and CPP from HRDC.

Seniors with Low Incomes

The GIS is of particular importance to seniors with low incomes. It provides additional financial assistance to OAS pensioners in Canada who have little or no other income. The amount paid depends on income and marital status. As noted above, approximately 1.4 million seniors received \$5.2 billion in GIS benefits in 2001-2002. The OAS program also includes a benefit called the Allowance, which is a supplement payable to low income individuals 60 to 64 years of age who are the spouse or common law partner of an OAS pension recipient or the survivor of one.

"There was a time in Canada when retirement often meant facing a new life of hardship. A generation ago, Canadians set a national goal to eliminate poverty among seniors, and we have made significant progress."

[Speech from the Throne, January 2001]

A particular priority during the year was to enhance our ongoing efforts to reach seniors to inform them about the financial assistance possibly available to them and to simplify the application process for this assistance. For example, we continued approaches such as mailing OAS applications directly to people nearing their 65th birthday and distributed brochures and fact sheets through Human Resource Centres of Canada. To build on these efforts, we began a national GIS advertising campaign in March 2002 using advertisements on television, radio and more than 1,800 weekly community newspapers across the country. We later extended this to include advertisements in seniors' publications. We also sent out 4.5 million inserts with information on the GIS with CPP and OAS T4 statements in early 2002 to reach clients directly.

We worked closely with the Canada Customs and Revenue Agency (CCRA) in the effort to reach all eligible Canadians. In February 2002, we began to send personalized GIS applications to 105,000 potential clients who had declared relatively low income levels on their income tax returns but were not receiving the GIS. As of June 2002, 75,000 people returned these applications to us and 70,000 of them have already been found eligible for GIS benefits. Based on the final evaluation of this initiative and our advertising, we may launch a mailing to seniors who have younger spouses who may be eligible for Allowance benefits. The results of the mailing campaign and estimates of potential clients not receiving OAS, GIS or Allowance benefits will be reported in 2002-2003 when the comprehensive data will be available.

At the same time, CCRA sent letters to some 65,000 tax filers who were over age 65 and who had declared low income on their income tax return, but who did not indicate that they were receiving either OAS or GIS benefits. The letters provided information about available benefits and encouraged the recipients to apply. This led to 20,380 telephone calls for additional information. As of June 2002, we had mailed 3,000 OAS applications to potential clients. CCRA also included a message about the GIS in its income tax guide for Canadian seniors.

To simplify the application process, we significantly improved the standard letters that we send to clients and our application forms. We also began to assess all our written materials for clarity and are editing them to eliminate jargon and bureaucratic language. We also continued work to simplify our standard application kits. We expect this to improve service by reducing clients' need to contact us to clarify what we need from

them. It should help clients to provide us with all the information we need to make decisions as promptly as possible.

Persons with disabilities

Canada Pension Plan (CPP) Disability benefits are available to individuals who have contributed to the Plan, meet the eligibility requirements, and who have a “severe and prolonged” disabling condition according to the CPP legislation. Improving the delivery of these disability benefits was a major focus in 2001-2002.

We instituted new procedures to improve client service in 2001-2002. For example, our staff now call applicants soon after we receive an application to ensure that applicant understands the process and our information requirements. Once we have decided on an application, staff call again to explain the decision to the applicant, before mailing out the decision letter. This more personalized approach helps clients better understand the medical reasons for decisions on their applications, which is especially important if a decision is unfavourable. The result has been a more client-friendly application process, which has contributed to a decrease in appeals. The number of applications for reconsideration of an initial decision dropped from 12,649 in 2000-2001 to 12,092 in 2001-2002 and the number of Review Tribunal appeals received decreased from 6,043 to 5,860.

When someone makes an appeal to a Review Tribunal, our staff ensure the appellant receives full information about the government’s position at least one month before their hearing. This helps clients understand the rationale behind the original decision and gives them more time to prepare for the hearing.

We also made processing improvements with simplification and streamlining. These are expected to show improved adjudication of applications of disability benefits and ensure consistency and transparency in our decision-making. As part of this, we began work on initiatives including a fast-track process for terminally ill applicants.

As part of our commitment to keeping clients better informed, we launched a newsletter for recipients of disability benefits. We mailed out the first issue of *Staying in Touch* in the fall of 2001 to 283,300 beneficiaries and to 17,000 recipients of children’s benefits. We have received positive feedback from these clients.

We continued to support clients in their attempts to return to the workplace, when appropriate, with further assistance through vocational rehabilitation. In May 2001, we implemented a new Allowable Earnings policy that allows CPP Disability beneficiaries to earn as much as \$3,900 annually from work without informing HRDC and without losing benefits. Once that limit is reached, our staff talk to the client about his or her current work situation and future work goals. If the client can only work once in a while, he or she may be allowed to earn more than the annual \$3,900 while still receiving CPP Disability benefits.

Building partnerships was a major part of our work in 2001-2002. Senior CPP staff met with private disability insurance providers, for example, to find ways to improve communications and reduce duplicate requirements for our mutual clients. We also worked with the constituency offices of Members of Parliament (MPs) who provide information on these programs to more than 27,000 constituents a year. To assist them, our staff gave 197 presentations about available benefits last year, information that we keep updated through a MPs Website.

In 2001-2002, we committed to establishing links between CPP and Employment Insurance (EI) Sickness Benefits to provide seamless service. We continued discussions regarding how to provide better client service to those who need the benefits or services of both programs. As part of this, we are working to improve our understanding of how and why clients move from EI to the CPP Disability program to ensure that our plan to streamline services is appropriate and client-focused.

Physicians, and especially general practitioners, are very important partners in the disability benefits process. To help physicians understand their role in the determination of patient eligibility, we developed a new publication: *A Physician's Guide to Canada Pension Plan Disability Benefits*. We sent the Guide to 26,000 general practitioners in March 2002 and posted it on our website.

Finally, to gain the perspective of the disability community on the delivery of the CPP Disability benefits on an ongoing basis, we created an advisory roundtable of non-government members. It first met in December 2001.

To assess the results of these and future client-service delivery improvements, we had committed to using a comprehensive evaluation framework to measure outcomes, monitor performance and identify best practices for all business processes. We have made good progress in developing the framework, which we expect to be complete by the fall of 2002.

Survivors

One of life's most difficult transitions is a death in the family. Survivors of a deceased CPP contributor or low-income OAS pensioner may be eligible for survivor benefits. HRDC has ongoing efforts to reach out to these Canadians to make the application process as easy as possible for them. We developed a customized statutory declaration that could be accepted in lieu of a death certificate for the families of the victims of September 11, 2001 and dedicated a specific service delivery agent to provide assistance to these families. In this way, HRDC was able to process their applications quickly and compassionately, without adding to their distress.

Migrants

In recognition of the growing movement of people across international borders, HRDC has negotiated and administered social security agreements with other nations for many years. These agreements help protect pensions by enabling Canadians to receive benefits from other countries and to receive CPP payments if they live abroad. They also eliminate duplicate contribution payments and permit continuity of social security coverage when Canadians are posted to work temporarily (up to five years, in most cases) outside the country.

In 2001-2002, we signed new agreements with the Czech Republic, Hungary and Slovakia bringing the total number of signed social security agreements to 46. We signed revised agreements with Australia, the Netherlands and Sweden. A new agreement with Uruguay and a supplementary agreement with the Philippines also entered into force during the year.

Contributors

“...because it has a diversified funding approach, Canada’s retirement income system is less vulnerable to changes in economic and demographic conditions than are systems in countries that use a single funding approach.”

[Annual Report of the CPP, 2000-2001]

With very few exceptions, every person in Canada, except for Quebec, over the age of 18 who earns a salary must pay into the CPP. While the province of Quebec has a similar program, the CPP and Quebec Pension Plan (QPP) work together to ensure that all contributors have some income protection. To explain the system and offer resource information, the Department developed a brochure *Canada’s Retirement Income System: What’s in it for you?* Distribution began in April 2001, mainly through financial planners and associations and our Human Resource Centres of Canada.

To help Canadians plan for their retirement, we sent personalized Canada Pension Plan Statement of Contributions to almost 13 million contributors in 2001-2002. Each provided detailed personal information on the individual’s contributions to the CPP (or to the QPP) and gave an estimate of what to expect from the Plan in the way of retirement or other benefits. A supplement included with the statement provided further information on public pensions, as well as financial and planning information suited to the age of the contributor.

Summary of Performance Indicators

The following table reports on performance indicators, objectives and results, for the year 2001-2002.

Performance Indicators	Objective (O) Result (R)
Average number of working days to process Old Age Security (OAS) applications	O: 28 days R: 22 days
Average number of working days to process Canada Pension Plan (CPP) applications (excluding disability benefits)	O: 28 days R: 28 days
Average number of working days to process initial CPP Disability applications ⁶	O: 62 days R: 66 days
Average number of days to process first level of appeal (CPP Disability) ⁷	O: 71 days R: 78 days
Number of Disability beneficiaries with whom follow-up contact has been made ⁸	O: 10,000 R: 8,900
Number of Disability beneficiaries attempting to return to work ⁹	O: 3,000 R: 1,962

⁶ Results include applications received with incomplete information, which delay decisions regarding eligibility.

⁷ Ibid.

⁸ The shortfall is primarily because NHQ medical adjudication resources were diverted to work on regional backlogs of initial applications.

⁹ The shortfall in the total number of clients who self-reported their return to work resulted from the implementation of the May 2001 Allowable Earnings policy which provides that CPP Disability beneficiaries need not report their return to work to HRDC until their earnings exceed \$3,900 annually.

Opportunity to fully participate in the workplace and community

The Government of Canada recognizes that Canada's quality of life is improved when all Canadians have the opportunities and skills to be self-reliant and to actively contribute to economic and social development of their own lives and those of their communities. HRDC contributes to this through a range of programs and services that we deliver directly or in partnership with other levels of government, Aboriginal organizations, and the private and voluntary sectors.

For more than 60 years, EI has ensured individual well-being, economic stability and a flexible labour market by providing temporary income support to people who lose jobs through no fault of their own and to those who have to leave work due to sickness or the birth or adoption of a child and subsequent parental responsibilities.

HRDC also contributes to reaching this goal through research and evaluation activities. Research activities guide HRDC's development of creative solutions to issues and challenges, while evaluation activities assess how well our programs function.

The following payments have been directed to Canadians during the last three years.

STATUTORY AND NON-STATUTORY TRANSFER PAYMENTS^a

(millions of dollars)	Actual		
	1999-2000	2000-2001	2001-2002
Non-Statutory Grants & Contributions	884.0	763.9	821.6
Statutory Transfer Payments	1,082.9	1,134.7	784.5
Sub-Total	1,966.9	1,898.6	1,606.1
EI Part I - Benefit Payments	9,299.7	9,505.0	11,602.0
EI Part II - Employment Benefits and Support Measures	1,980.3	1,938.9	2,083.7
Sub-Total Employment Insurance Benefits	11,280.0	11,443.9	13,685.7
Other - Government Annuities and Civil Service Insurance Payments	72.9	69.0	65.6
Non-Budgetary - Loans disbursed under the <i>Canada Student Financial Assistance Act</i>	N/A	1,415.3	1,544.1
Total	13,319.8	14,826.8	16,901.6

N/A – not applicable

a. For complete financial information by Service Line, see Figures 2 to 5 on pages 55 to 59.

In our *2001-2002 Report on Plans and Priorities* we identified six major priorities related to this strategic outcome:

- Skills and Learning: An educated, skilled and prepared workforce;
- Inclusion in the workplace and community;
- Attachment to and re-integration into the labour market;
- Community, private and voluntary sector capacity to promote human development;
- Implementing EI legislative changes; and
- Building understanding and awareness of EI requirements.

A table summarizing all performance indicators related to this strategic outcome is on page 35.

Skills and Learning: An Educated Skilled and Prepared Workforce

Benefits to Canadians:

By promoting lifelong learning and supporting skills development, we help to ensure that Canadians can better adapt and prosper in an increasingly global economy.

[Knowledge Matters: Skills and Learning for Canadians]

The Government of Canada recognizes that the countries that succeed in the 21st century will be those whose citizens are creative, adaptable and well-skilled. The 2001 Speech from the Throne committed the Government of Canada to build on its work with provinces, territories and other partners to ensure that all Canadians can achieve their skills and learning goals. It also recognized the importance of investing in the literacy, numeracy and other essential skills of Canadians and outlined commitments in this area.

HRDC has a long-standing record in skills and learning programs and services to Canadians. In 2001, we built on this by sponsoring a series of national roundtables, discussions with representatives of provincial and territorial governments, Aboriginal communities, business, labour, education and public policy and non-governmental organizations. Our goal was to help the government assess skills and learning challenges and identify possible areas for action.

This work contributed significantly to the development of *Knowledge Matters: Skills and Learning for Canadians*.¹⁰ This was one of two papers that articulated Canada's Innovation Strategy.¹¹ Released in February 2002, *Knowledge Matters* brought together

¹⁰ For further information on Knowledge Matters, see <http://www.hrdc-drhc.gc.ca/sp-ps/sl-ca/home.shtml>

¹¹ For further information on Canada's Innovation Strategy, see <http://www.innovationstrategy.gc.ca>

what was heard in these discussions and outlined the broad consensus. It called for a collaborative approach between all sectors of society and a national dialogue to ensure Canadians meet their skills and learning requirements for the 21st century. It proposed four national goals for Canada and 13 milestones to measure progress that will provide the focus of future work with partners. The release of the paper set the stage for a national dialogue in 2002-2003 around the four goals:

- To give children and youth the best possible start in life;
- To ensure all qualified Canadians have access to high-quality post-secondary education;
- To ensure Canada's current and emerging workforce is more highly skilled and adaptable; and
- To ensure that Canada continues to attract the highly skilled immigrants it needs and helps them to achieve their full potential in Canadian society and the labour market.

HRDC programs and services, including our achievements in 2001-2002, contribute towards the achievement of some of these goals and milestones, as explained throughout this section. The summary of performance indicators on page 35 also outlines some of the results of our contributions.

Assistance to Today's and Tomorrow's Students

By 2004, more than 70% of all new jobs created in Canada will require some form of post-secondary education.¹² Canada is well-positioned to meet this need as we have the world's highest proportion of people with post-secondary education in the working-age population. To sustain this achievement, in 2001-2002, we provided 340,000 students approximately \$1.5 billion in Canada Student Loans.¹³ We also assisted borrowers in severe financial hardship through the Debt Reduction in Repayment Program at a cost of \$4.2 million dollars. Another 100,000 students, who did not borrow during this year, received an interest subsidy for previous student loans. These results were achieved at a net cost of \$815.2 million (\$823.8 million prior year).

We improved our student assistance programs in important ways. First, to assist persons with disabilities to access post-secondary education, we improved existing Canada Study Grants for students with permanent disabilities, and initiated a new Canada Study Grant for high-need students with permanent disabilities. Second, we simplified the loan process for 160,000 students or recent students through implementation of agreements with the governments of Ontario and Saskatchewan that integrate Canada and provincial student loan and repayment processes. Third, we implemented initiatives to strengthen the integrity of our almost \$10 billion loan portfolio, such as validating Social Insurance Numbers in Ontario. Finally, we undertook a client satisfaction survey. The results are outlined on page 42 under "Service Improvement Initiative".

¹² Applied Research Branch, Human Resources Development Canada, *Job Futures (2002) World of Work: Overviews and Trends*.

¹³ For the detailed report on Canada Student Loans Program, see Supplementary Information section on page 79.

Our support for students included our ongoing Student Summer Job Action (SSJA) component of the Youth Employment Strategy, through which \$96.4 million helped fund jobs for 52,678 young people. In addition to providing work experience, SSJA assisted young Canadians to earn money for education.

Part of our commitment to skills and learning is encouraging more parents to save for their children's future educations through Registered Education Savings Plans (RESPs), with the Canada Education Savings Grant (CESG) as an incentive. By March 2002, 23% of Canadian children were beneficiaries of an RESP, up from 20% a year earlier. Since 1998, the program has already encouraged Canadians to save for the education of more than 1.6 million children. In addition, almost \$1.2 billion in grants have resulted in more than \$9 billion in total savings for the post-secondary education of children. While 12% of Canadians were aware of the CESG in March 2001, that rose to 18% after a publicity campaign in Fall 2001.

We also assisted more than two million users in the selection and financing of their learning goals through our involvement in CanLearn Interactive.¹⁴ This partnership initiative with the provinces, territories, non-governmental organizations and national learning organizations has become Canada's leading online resource for learning information and products and services. In recognition of its success, the CanLearn site was awarded a Gold Medal for "Investing Strategically in Information Management/Information Technology (IM/IT) – Managing the Human Dimensions of IM/IT".¹⁵

Ensuring the Access of Skilled Working People to Employment

In order to position Canada for success in the 21st century, aggressive action must be taken to ensure skilled and talented people have access to employment. During 2001-2002, we worked to enable Canadians to be more mobile and to recognize the skills, talents and credentials of many underutilized individuals.

"Canada will only realize its full potential by investing aggressively in the skills and talents of its people."

[2001 Speech from the Throne]

One example of this was our progress in removing interprovincial barriers to labour mobility. In addition to our ongoing support for common standards and examinations for 44 skilled trades, we worked with self-regulated professions (e.g., physicians, teachers, land surveyors, pharmacists) and provinces and territories to remove interprovincial barriers to labour market mobility, as directed by the Agreement on Internal Trade (AIT). By the July 1, 2001 deadline, regulatory bodies of 42 of 51 regulated professions had agreed on conditions that facilitate mobility for approximately 97% of workers in regulated professions.¹⁶ Workers in these professions can practice their occupation throughout Canada without these barriers.

¹⁴ For further information on CanLearn Interactive, see <http://canlearn.ca>

¹⁵ For further information about this award, see <http://www.canlearn.ca/utility/offsite.cfm?site=http://www.techgov.com/2001/english/medalists.html>

¹⁶ 1996 Census.

The number of temporary foreign workers entering Canada has been increasing steadily in recent years, and is projected to continue to increase in response to demographic and labour market trends. In 1996-1997, HRDC processed more than 42,000 requests from employers for employment validations for workers from other countries; by 2001-2002, the number of requests rose to 82,600.¹⁷ To better reflect an increasingly global labour market, we clarified the mission of the federal Foreign Worker Program. Under new regulations, the basis for issuing a work permit to a foreign national is now on the balance of effects of the entry on the labour market, rather than primarily on whether someone in Canada could do the work in question. This allows HRDC staff to balance the general availability of Canadians with other labour market benefits from the entry of a foreign worker (e.g., direct job creation or retention, creation or transfer of skills and knowledge). We can also seek commitments from employers to hire or train Canadians. The program is expected to fast-track skilled workers with offers of arranged employment in Canada, in keeping with its mandate under the new Immigration regulations of selecting and retaining skilled immigrants as permanent residents.

Addressing Human Resource Priorities

To assist skills and training, HRDC provided \$50 million to sector councils, which bring together business, labour and other partners to identify and address skill priorities in specific industries, occupations and sectors of Canadian society.

A 1997 evaluation of the Sectoral Partnerships Initiative highlighted the importance of the initiative in influencing learning and training systems to respond to industry needs. We intend to conduct more evaluations in the future to measure the effects of the program, taking into account changes in its objectives and other factors over time.

During 2001-2002, we supported the creation of three new sector councils: Wood Manufacturing Council, Construction Sector Council and the Petroleum Human Resources Sector Council of Canada.¹⁸ The network of sector councils currently covers 25% of the labour market. Our funding helped support industry-led studies of workforce trends and sector councils' efforts, including the development of national skills standards, core curricula and tools that are being used to encourage and facilitate workplace training. We also worked on a process to enable workers to gain recognition for learning they have gained in the workplace and other non-traditional settings.¹⁹

There are many examples of sector council effectiveness. For example, the Textiles Human Resources Council has pioneered skills development in its industry through an award-winning management internship program. The Canadian Automotive Repair and Service Council uses satellite links to broadcast high-quality training programs across Canada. The Council's Workplace Mentor/Coach program, which is delivered through community colleges, provides automotive technicians with the skills to train others in their workplaces.

We also work with individuals to identify and act on their own learning needs or the skill needs of a particular workplace or industry. Many of the Employment Benefits and

¹⁷ The number of requests for employment validations is projected to reach almost 91,000 in 2002-2003.

¹⁸ The Canadian Grocery Producers Council was closed after industry withdrew its support for the Council.

¹⁹ Canada's Innovation Strategy – Knowledge Matters: Skills and Learning for Canadians.
See <http://www.hrdc-drhc.gc.ca/sp-ps/sl-ca/doc/knowledge.pdf>

Support Measures (EBSM) funded under Part II of the *Employment Insurance Act* or similar programs help participants prepare for employment by providing the opportunity to develop skills through work experience or training. For example, in 2001-2002, approximately 120,000 “Skill Development interventions” were started by Canadians under this component of the EBSMs. These allowed people to get a negotiated level of financial assistance to take the training they needed for occupations with good prospects of sustainable employment.

Literacy and Numeracy: Building the Essential Skills of Canadians

The Prime Minister’s Expert Panel on Skills described three sets of skills as necessary for an effective labour market: essential skills, technical skills and management skills. Neither technical nor management skills can be acquired without a solid grounding in essential skills. During 2001-2002, HRDC and other national and international organizations continues to conduct extensive research to identify and validate nine essential skills: reading text; document use; writing; numeracy; oral communication; thinking skills; working with others; computer literacy; and continuous learning. Our pilot projects explore how to address essential skills needs

“Lack of literacy skills poses a significant barrier to integration into the labour market-more than 40% of working age Canadians lack the basic literacy skills required for successful participation in our rapidly changing economy.”²⁰

[Literacy in the Information Age:
International Adult Literacy
Survey, 2000]

and have demonstrated positive impacts on employers and labour unions, on skills development at the individual, college and university levels, and on the relevance and responsiveness of workplace learning at the apprentice, firm and sector council levels. Part of our strategy included extensive use of our Essential Skills website.²¹

Literacy,²² which involves three of the nine essential skills, has been another long-standing Government of Canada commitment. Research has shown that literacy is a key determinant of labour market performance. In response to this and other evidence to date, during 2001-2002, we increasingly supported efforts to embed literacy programming in other social programs, supported improved targeting of literacy programs and services to the workplace, youth at risk and adults at risk (immigrants, Aboriginal people, offenders, unemployed people and those living in poverty) and fostered the inclusion of literacy in all aspects of community, workplace and individual life through public awareness events, such as *International Literacy Day*, *Family Literacy Day*, as well as *Word on the Street* literacy festivals in Toronto, Halifax, Calgary and Vancouver. We also helped to fund the development of Canadian learning material for adults and supported research and knowledge development to address gaps in programming.

²⁰ OECD and Statistics Canada, *Literacy in the Information Age: International Adult Literacy Survey, 2000*. See <http://www1.oecd.org/els/education/literacy/pubs.htm>

²¹ For further information, see <http://www15.hrdc-drhc.gc.ca/english/es.asp>

²² Literacy is the ability to understand and employ printed information in daily activities, at home, at work and in the community.

Computer literacy is another essential skill of increasing importance. By using technology, we help enhance learning and skills development by supporting community-based e-learning activities. Currently, there are 92 Community Learning Networks (CLN) that use information and communications technology for individual learning, community networking and the creation of employment opportunities. This helps those, particularly adults, to upgrade and develop new skills, and is beneficial to those affected by the “digital divide”—the economic and social divide between people who have computer skills and those who do not. The Office of Learning Technologies’ summative evaluation indicated that 95% of project sponsors agreed that the program increased access to learning opportunities.

Inclusion in the Workplace and Community

Benefits to Canadians:

As stated in the 2001 Speech from the Throne, “the Canadian Way recognizes that economic and social success must be pursued together. We cannot build a prosperous society in the absence of economic growth. We cannot lead in innovation and new ideas without healthy and secure citizens.”

During 2001-2002, HRDC continued to play an important role in many of the government’s efforts to ensure that all Canadians are fully included in this country’s social and economic life. We demonstrated leadership roles in policy and program development and worked in collaboration with partners within government and across society in order to implement activities that would achieve our inclusion objectives.

Giving Children a Good Start in Life

“Securing a good start in life for children is the only way to ensure that they are ready to learn, to seize opportunity as adults, and to contribute to the building of their country.”

[2001 Speech from the Throne]

In the 2001 Speech from the Throne, the Government of Canada renewed its commitment to giving children a good start in life. HRDC’s contribution to work on children’s issues during the year took many forms. For example, the enhancements of Employment Insurance parental benefits, starting December 31, 2000, were linked to an increase in claims for biological and adoptive parental benefits of 5.2% between 1999-2000 (170,620) and 2000-2001 (179,560). There was a 44% rise in claims by men for biological parental benefits over that same period. We also funded 7,000 childcare spaces and indirectly supported another 7,400 spaces through the First Nations and Inuit Child Care (FNICC) component of the Aboriginal Human Resources Development Strategy at a cost of \$41 million.

Much of our involvement in children's issues related to our policy leadership. For example, in 2001-2002, we worked closely with our provincial and territorial partners to implement the commitments made by First Ministers in the September 2000 Early Childhood Development (ECD) Agreement. Under this Agreement, the Government of Canada is transferring \$2.2 billion over five years, including \$300 million in 2001-2002, to support provincial and territorial investments in programs and services. As a first milestone on federal public reporting in support of the agreement, the *Report on Government of Canada Activities and Expenditures 2000-2001* was released in November 2001.

We also continued collaborative efforts, including policy work, evaluation and public reporting with provincial and territorial governments in implementing the National Child Benefit (NCB) initiative²³ which aims to:

- help prevent and reduce the depth of child poverty;
- promote attachment to the workforce by ensuring that families will always be better off as a result of working; and
- reduce overlap and duplication.

We monitored the progress of the NCB in achieving its goals in preparation for its third annual progress report, which was released in May 2002 and contained the first analysis of the direct NCB impacts on the prevention and reduction of child poverty. For example, as a direct result of the NCB, low income families with children saw an average increase of \$775 in their income in 1999.

An evaluation of NCB is underway to provide a net impact assessment of the comprehensive NCB program; assess provincial/territorial reinvestment programs; and determine the effects of income incentives. The evaluation will be completed in the fall of 2002.

One of our most direct contributions is support for, and implementation of, research initiatives that offer knowledge and ideas on "what works" and that present innovative ways to address social issues. For example, the June 2000 evaluation of the Self-Sufficiency Project (SSP), sponsored by HRDC, showed that offering lone parents an earnings supplement in exchange for leaving social assistance and obtaining full-time employment produced very positive results. For example, 35% of lone parents offered an earnings supplement found full-time employment within a year. Through the SSP, HRDC is making progress in helping lone parents become self-sufficient and active participants in the workplace and community.

Our support of other major research initiatives related to young children. For example, the National Longitudinal Survey of Children and Youth (NLSCY) and Understanding the Early Years were both successful in adding to the evidence on the development of children and youth. The data, information and analysis arising from the NLSCY provide policy-makers and service providers with the information they need to best support children and their families. The research results from Understanding the Early Years have the same impact at the community level.

²³ For further information, see <http://www.nationalchildbenefit.ca>

In the same way, we supported other national childhood learning and care projects such as the New Brunswick Association for Community Living in its “Keeping the Door Open: Enhancing and Maintaining the Capacity of Centres to Include Children with Special Needs” project. This assisted early childhood educators to develop and implement programs to meet the needs of children with developmental disabilities. Its success led to the model being adopted in Saskatchewan and Prince Edward Island. It also strengthened capacity of the voluntary sector to support social development in Canada. We also supported the Canadian ChildCare Federation, which has become an invaluable resource for Canadians concerned about children. Its award winning website portal provides information from more than 50 partners on a wide range of children’s issues.²⁴

Creating Opportunities for Canadians with Disabilities

“Persons with disabilities face barriers to full participation in the economy and society. The Government of Canada will work with the provinces and territories and other partners toward a comprehensive labour-market strategy for persons with disabilities”.

[2001 Speech from the Throne]

HRDC continued to support work towards the full inclusion of persons with disabilities in all aspects of Canadian society through our lead responsibility for the Federal Disability Agenda within the Government of Canada and through programs and services.

We worked with an interdepartmental committee to oversee a report that identified gaps and issues in programs and services for Aboriginal persons with disabilities. HRDC began work with other departments to produce the first Federal Disability Report. Once released, this report will bring together information on

federal programs and services for people with disabilities and outline a reporting framework to help measure their impacts. We also advanced the Federal Disability Agenda by leading the ongoing development of an “Access and Inclusion Lens”. This is an approach to help assess the impact of new government policies and on people with disabilities. We also laid the groundwork for future policy and program innovations by improving knowledge on Canadians with disabilities through an update of the 1991 Health and Activity Limitations Survey²⁵ that will be finalized in 2003.

In addition to these policy actions, we continued to support or deliver initiatives to help persons with disabilities prepare for, obtain and maintain employment, such as the Employability Assistance for People with Disabilities (EAPD) initiative, which funds provincial programs and services, and the Opportunities Fund for Persons with Disabilities. The first national report on EAPD for 1999-2000 and 2000-2001, describes programs and services and federal/provincial expenditures.²⁶ HRDC and five provinces also took part in a review of nine promising practice case studies of programs and services cost-shared under the EAPD initiative. The report provides a reference document of proven effective practices for provinces to consider for alternative or enhanced programming.

²⁴ For further information, see <http://www.cfc-efc.ca>

²⁵ The follow-up survey is entitled Participation and Activity Limitations Survey.

²⁶ For further information on Employability Assistance for Persons with Disabilities: National Report 1999-2000, 2000-2001, see http://www.socialunion.gc.ca/pwd_e.html

The Opportunities Fund for Persons with Disabilities served approximately 3,700 clients during 2001-2002, of whom more than 1,800 subsequently found work. Based on the summative evaluation of the previous cycle ending in 1999-2000, the program provided positive support to the disability community. In addition to direct employment, the benefits and services of the program enhanced participants' overall employability and quality of life, and the participation of employers and employer organizations, as well as increased attention to workplace-based disability issues.

HRDC is continuing to work with provinces and territories to fulfil the 2001 Speech from the Throne commitment to work toward a comprehensive labour market strategy aimed at improving the employment situation of persons with disabilities. HRDC is also working closely with our provincial and territorial partners, as well as with the disability community, to identify ways to improve access to disability supports (e.g., attendant care and technical aids) so persons with disabilities can participate in all aspects of community life.

Expanding Opportunities for Aboriginal People

As part of the government's broader Aboriginal agenda, the Aboriginal Human Resources Development Strategy (AHRDS) integrates most of HRDC's Aboriginal programming, including labour market programs and programs for youth, Aboriginal people living in urban areas, persons with disabilities and childcare for First Nations and Inuit. This takes place through some 79 Aboriginal Human Resource Development Agreements with Aboriginal organizations across Canada.

By working cooperatively and in conjunction with our partners, we have been able to exceed the AHRDS objectives for 2001-2002. During the year, the AHRDS assisted 50,036 Aboriginal clients. In addition, 5,653 clients returned to school and 18,732 became employed or self-employed. This has resulted in \$13.8 million in unpaid EI benefits.

Creating Opportunities for Young Canadians

The 2001 Speech from the Throne included commitments to address the needs of youth at risk and to ensure that young Canadians have access to skills and learning. These commitments supported the Government's current investment in Canada's youth to enable them to participate fully in the workplace and in the community.

Much of this investment was channelled through programs and services under the Government of Canada's Youth Employment Strategy (YES) that was launched in 1997 to support the country's youth to prepare for, obtain and maintain employment. Through YES, HRDC along with 13 other federal government departments improved the employability of youth by helping them get the information, knowledge and work experience they need to make career choices, pursue and prepare for and participate in the world of work. HRDC's three YES work experience programs helped more than 69,249 youth gain work experience in 2001-2002 at an investment of \$196.5 million. Over 16,571 youth participated in HRDC's internship and community service programs resulting in 7,935 youth obtaining employment and a further 1,592 returning to school.

In addition, 52,678 students received a work experience through summer programs and over 90% (47,410) returned to school²⁷ in the fall.

An important part of our work is to provide access to information on youth programs, services and resources and to expand awareness of career opportunities. Our survey of young people using the information services indicated a high degree of satisfaction with their quality and relevance. In 2001-2002, in co-operation with other government departments, HRDC conducted a YES evaluation. While this is continuing into 2002-2003, the early findings will help us as we look ahead to possible future improvements.

Working to Support and Enhance Official Language Minority Communities

“Canada’s linguistic duality is fundamental to our Canadian identity key element of our vibrant society. The protection and promotion of our two official languages is a priority of the Government – from coast to coast. The Government reaffirms its commitment to support sustainable official language minority communities and a strong French culture and language. And it will mobilize its efforts to ensure that all Canadians can interact with the Government of Canada in either official language”.

[2001 Speech from the Throne]

For some time now, HRDC has played a major role in the development of official language minority communities. We have supported their projects to promote their economic and social vitality. Initiatives such as on-line forums, access to French databases and recognition of Francophone contributions through publications and exhibits, have resulted in positive impacts for official language minority communities.²⁸

The Commissioner of Official Languages recently validated our support of French and English national committees stating that “it’s an innovation that seems to be quite promising. This inclusive concept is not only taking roots in HRDC’s culture, but it also seems to have influenced other institutions to follow in the same steps”.²⁹

Attachment to and Re-integration into the Labour Market

Helping People through Labour Market Programs and Services

HRDC has an extensive range of programs and services that enable Canadians to manage labour market transitions and to prepare for, find and maintain employment. Much of this takes place through the Employment Benefits and Support Measures (EBSM) funded under Part II of the *Employment Insurance Act*, including activities under Labour Market Development Agreements (LMDA)³⁰ with provincial and territorial governments. Of the 2001-2002 program spending for EBSM, 47.8% (\$893.2 million) was directly carried out by provincial and territorial governments under these LMDAs, through funds the Government of Canada transferred to them.

²⁷ Methodology for reporting on summer programs is based on Summer Career Placement evaluation (1997).

²⁸ For further information, see <http://www.hrdc-drhc.gc.ca/dept/solmc-scmlo/>

²⁹ The Commissioner’s Annual Report 2000-2001. For further information, see <http://www.ocol-clo.gc.ca>

³⁰ For further information, see <http://www.hrdc-drhc.gc.ca/ei/common/lmaind.shtml>

EI clients and non-insured clients, served under Part II of the *EI Act*, took part in a variety of programs that ranged in purpose from increased skills acquisition to general assistance designed to help job ready clients to return to work quickly. Of the Employment benefit interventions received by these clients, approximately 75% were under the Skills Development Benefit, which provides direct financial assistance to EI clients to allow them to become more highly skilled. This benefit also contains an apprenticeship component that allows clients to take part in apprenticeable trades, thereby furthering their efforts to become qualified tradespeople. More general assistance provided to clients includes activities such as resume writing, job finding clubs and job search technique assistance.

During 2001-2002, approximately 390,000 EI clients received service either directly from HRDC or from one of our provincial or territorial partners. A further 130,000 non-EI clients received assistance through Part II funded programs and services. During this period, 195,000 EI-funded clients returned to work after participation in these programs and services. As a result, we calculated unpaid EI benefits of \$665 million that might have been paid otherwise. 94.8% of HRI clients paid through HRDC's system received their first cheque within 28 days of qualifying for benefits.

With the softening of the economy during the fall of 2001, demand increased for our Work-Sharing program, through which employers shorten employee workweeks by up to three days with Employment Insurance benefits paid for days not worked. We implemented 1,889 Work-Sharing agreements involving 58,427 employees, avoiding the layoff of approximately 22,800 people. The program benefits workers in that they are able to avoid the hardship of being laid off and enables them to retain their work skills. At the same time employers are able to retain trained employees and avoid retraining new employees once demand increases again. This program has proven to be highly effective in the past and is being evaluated again.

An important focus this year was our work to better assess HRDC labour market programs and those of our provincial and territorial partners. This led to greater precision in the data we collect and report. We are currently implementing evaluations to measure the net impact of EBSMs on individuals, communities and labour markets.

To gain a better sense of the impact of the Internet and other services on client needs, we conducted surveys and interviews in five Human Resource Centres of Canada. We are using the feedback from clients to guide the development of new training modules for HRDC information officers.

Pilot projects under the Older Workers Pilot Projects Initiative continued this year, with new agreements being signed with Nova Scotia, British Columbia, Saskatchewan and Nunavut. This brought the number of participating provinces and territories to nine. This initiative tests approaches to re-integrating displaced older workers into sustainable employment and to maintaining older workers in their existing jobs. Pilot projects are designed, delivered and cost-shared by the provinces and territories. We anticipate the evaluation of the pilots to be complete by 2003-2004.

Community, Private and Voluntary Sector Capacity to Promote Human Development

Benefits to Canadians:

As stated in the 2001 Speech from the Throne, “in fulfilling its responsibilities, the Government of Canada . . . will work with other levels of government, the private and voluntary sectors, and individual citizens.”

HRDC has always worked with partners in other sectors of society to achieve human development goals. Our Department realizes that these partners are well-placed to identify goals and the means to achieve them. However, we also appreciate that these partners may need assistance to develop the capacity to make a full and sustained contribution to shared priorities. For those reasons, we offer an increasing range of programs, services and supports that seek to improve the ability of communities and the private and voluntary sectors to take action on human development.

Building Partnerships to Address Homelessness

One of the best examples of our work to strengthen the capacity of communities to address issues of concern to them has been our efforts through the National Homelessness Initiative (NHI). We continued to play a lead role during the second year of the three-year NHI, working closely with other government departments to bring about a coordinated federal response to homelessness.

The Supporting Communities Partnership Initiative (SCPI) was a primary focus for HRDC on homelessness. The SCPI is proving to be an effective model to address homelessness by:

- mobilizing communities;
- building partnerships;
- strengthening collaboration between local stakeholders and governments; and
- leveraging additional resources from provincial/territorial and municipal governments and the voluntary and private sectors.

\$73.1 million in SCPI funding allowed 61 communities, covering 70% of the Canadian population, to address gaps in their services and supports for homeless people, as well as leverage other resources by facilitating initial financial commitments for many projects. These communities have reported that the Initiative has encouraged local planning processes that helped to create common objectives and goals through the participation of local partners who had not previously been involved. Broader knowledge and understanding of homelessness issues has resulted as well as the introduction of a longer-term and better coordinated continuum of supports to address homelessness

issues in these communities. The process of partnership building has maximized available resources in each community and avoided duplication of services.

All provinces and territories are participating in the Initiative and have made financial contributions, with some exceeding the 50% matching contribution required. Most municipalities are actively engaged in the SCPI and in 12 communities, municipal governments administer the SCPI. These contributions are part of the more than \$580 million that has been levered under the three major HRDC components of the National Homelessness Initiative – the SCPI, Youth Homelessness and the Homelessness component of the Urban Aboriginal Strategy - as of March 31st, 2002. This significantly builds on the federal investments to date of approximately \$264 million.

These investments have resulted in the:

- Construction or renovation of 178 shelters, 142 transitional facilities, and 47 'supportive housing' facilities, including a capacity of approximately 5,600 beds;
- Construction or renovation of 164 food depots/banks, clothes/furniture, depots/banks, drop-in centers, soup kitchens, etc;
- Enhancement or construction of 4,603 family violence units;
- Funding of 394 service-oriented projects related to transportation, legal/financial services, life skills, material support, etc;
- Conversion, reparation and modification of 32,500 accommodation units; and
- Creation of approximately 143 accommodation units for homeless people through the transfer of 14 properties.

Details of these and other results, including an assessment of the incremental impact of SCPI funding, will be addressed in the NHI evaluation report due in November 2002.

Contributing to a Stronger Voluntary Sector

The Voluntary Sector Initiative (VSI) is a joint effort involving the Government of Canada and the country's voluntary sector to strengthen the capacity of the voluntary sector and to enhance the relationship between the sector and the Government of Canada. As a department with an extensive range of contacts with local, national and international voluntary sector organizations, we have been deeply involved in VSI activities.

For example, we worked in partnership with others to make International Year of Volunteers (IYV) a success in Canada. HRDC launched the Thérèse Casgrain Volunteer Award³¹ to honour those who have demonstrated a lifelong commitment to volunteering. To build on the success of this year, the Government of Canada announced the Canada Volunteerism Initiative with an

"The Government of Canada recognizes the need to build partnerships with communities and to renew its relationship with the voluntary organizations that serve and sustain them. The Government will enter into a national accord with the voluntary sector, laying a new foundation for active partnership with voluntary organizations in the service of Canadians".

[1999 Speech from the Throne]

³¹ For further information on this award, see [http:// www.volunteeraward.gc.ca](http://www.volunteeraward.gc.ca)

additional \$43 million over five years, and with an ongoing commitment of \$10 million per year thereafter. We expect this funding will support increased awareness among Canadians of the value of volunteers and voluntary organizations; improve the capacity of these organizations to deliver programs and services to Canadians; and increase volunteering in Canadian society.

Because so many non-governmental organizations look to us for financial support for projects of many kinds, we established a joint working group with voluntary sector representatives to foster a more productive and collaborative relationship, particularly around the administration of grant and contribution programs.

Investing in Knowledge, Technology, Information and Infrastructure

Canadians need information about the labour market that makes transitions from school to work, non-employment to work, and between jobs easier, especially given today's complex and rapidly evolving labour market. HRDC has long had a role in developing credible information on the labour market for Canadians and we are continually updating how we get information to Canadians. During 2001-2002, we completed an important task as directed by the federal-provincial-territorial Forum of Labour Market Ministers – an action plan on research and data development for labour market information that identified gaps that all governments can now decide how to address.

Within HRDC, we responded to the need for more accountability and high standards in Labour Market Information (LMI) in a number of ways. We created a product standards guide for LMI that any organization can use. We set performance indicators and measures that will improve national and local LMI accountability within HRDC.

We developed other new tools that labour market analysts in all levels of government can use to monitor labour market pressures or shortages as well as a resource guide that indicates economic, labour market and forecast information that researchers and LMI professionals can find on the Internet. We also introduced the new Career, Occupational, Learning and Labour Market Information (COLLMI) search engine. It provides seamless access to information about the career, occupational, learning and labour market information resources maintained by various partners across Canada.

Implementing EI Legislative Changes

Benefits to Canadians:

EI legislation is adjusted often to ensure that the Program continues to meet the needs of Canadian and society.

HRDC supports the government and Parliament when they review the *Employment Insurance Act* and ensures that legislative changes are implemented promptly and effectively.

During 2001-2002, Bill C-2 introduced important changes to the Act, including:

- Elimination of the “intensity rule” that had decreased the weekly benefits payable to many people who had claimed EI in previous years, effective October 1, 2000;
- Modification of the benefit repayment (clawback) provisions effective for the 2000 tax year. First-time users and special benefits claimants became exempt from the provisions and the threshold for repayment was set at net income above \$48,750 for all regular claimants.

The Bill received Royal Assent on May 10, 2001. We also supported these changes with an extensive public information campaign.

Significant revisions were made to EI operational policies, procedures and guidelines. We updated training material for staff to reflect the changes and modified our benefit payment systems. As a result of these and related efforts, we processed and paid all EI claims filed in the week of Royal Assent under the new rules within our normal service delivery timeframe. Because much of Bill C-2 was retroactive, we worked in partnership with the Canada Customs and Revenue Agency to develop special measures to process more than \$160 million in retroactive payments to almost 800,000 Canadians.

The “Small Weeks” provision allows claimants to accept weeks of work with lower than average earnings (small weeks) without lowering their benefit entitlement. The Small Weeks pilot project was made a permanent and national feature of the EI program in August 2001 following an evaluation that found participants worked two more weeks on average.

An extension of the limit on special benefits was introduced effective March 3, 2002. It ensured full access to these benefits for biological mothers who claim sickness benefits. The previous limit of 50 weeks for special benefits was extended up to 65 weeks in cases where sickness benefits are paid before or after a maternity claim.

The EI Monitoring and Assessment Report³² meets the legislative requirement set out in section 3 of the *Employment Insurance Act*. The EI Commission had the mandate to monitor and assess the effects of EI between 1996-2001. Under Bill C-2, this period has been extended to 2006, recognizing the important role that this report plays in assessing the effectiveness and responsiveness of the *EI Act* to the labour market and Canadians.

³² The 2001 Employment Insurance Monitoring and Assessment Report, as well as previous reports, can be obtained at <http://www.hrhc-drhc.gc.ca/ae-ei/loi-law/eimar.shtml>

Building Understanding and Awareness of EI Requirements

Benefits to Canadians:

Public awareness of the EI Program and its requirements is essential to ensuring that the program remains responsive to the needs of Canadians.

This was designated as a priority under this strategic outcome in 2001-2002, particularly because we want to reduce the number of people who quit their jobs without just cause, losing eligibility for EI benefits. At present, about 13% of claimants quit their jobs without just cause.

We added information to our website on the consequence of quitting a job and its impact on a person's eligibility to collect EI benefits.³³

We also recognized this priority in our work to automate the entire EI claims application process. We began to move toward an automated fact-finding system for implementation during 2002, so that when someone reports they quit their job on their on-line application for EI, our systems will automatically give them additional information on the impacts of quitting.

The publication of a Statistics Canada survey expected to be finalized during the summer of 2002 will demonstrate the impact of these measures.

³³ For further information, see <http://www.hrdc-drhc.gc.ca/ae-ei/pubs/regular.shtml#Quitting> and http://www.hrdc-drhc.gc.ca/ae-ei/menu/faq/faq_e.shtml#quit

Summary of Performance Indicators

The following table reports on performance indicators, objectives and results, for the year 2001-2002.

Performance Indicators	Objective (O) Result (R)
Number of Canadians who access learning opportunities as a result of Canada Student Loans Program ³⁴	O: N/A R: 440,000*
Number of Canadians who access learning opportunities as a result of Canada Education Savings Grant Program ³⁵	O: N/A R: 24,400*
Percentage of Canadians aged 0 to 17 who are beneficiaries of Registered Education Savings Plans ³⁶	O: 20% R: 23%
Percentage of Supporting Communities Partnership Initiative (SCPI) communities with an approved plan	O: 100% R: 100%
Budget and Dollars Expended for SCPI, Youth and Aboriginal Homelessness	O: \$164.6M R: \$73.1M
Percentage of SCPI communities with representative advisory committees comprising local service providers and other stakeholders	O: 100% R: 100%
Number of clients employed or self-employed following program interventions	O: 232,886 R: 212,863
Unpaid benefits (EI Part I) resulting from EI claimants employed following EI Part II Employment Benefit and Support Measures	O: \$733.4M R: \$665M
Number of youth and Aboriginal clients who return to school following program intervention	O: 2,308 R: 7,173

N/A: Not applicable

* These indicators may include beneficiaries that were double counted by accessing both CSLP and CESG assistance.

³⁴ This indicator is not targeted as the number of Canadians who pursue post-secondary education and the number who apply for student loans fluctuate.

³⁵ As this is the first time this indicator is being reported, no target objective had been set.

³⁶ This number is an estimate based on adjusted Statistic Canada projections (based on the 1996 Census) for 2001 population with post-secondary education.

Safe, fair, stable and productive workplaces

HRDC is responsible for administering legislation that governs occupational health and safety, labour standards and labour relations for federally-regulated workplaces. In addition, at a national level beyond the federal labour jurisdiction, we are responsible for international labour affairs, federal-provincial-territorial coordination in labour matters and the provision of nationwide labour information.

Under the authority of the *Canada Labour Code*, the *Employment Equity Act* and other federal laws, HRDC strives to promote and sustain stable industrial relations and a safe, equitable and productive workplace for more than one million Canadians and 40,000 work sites under federal jurisdiction.

The following payments have been directed to Canadians during the last three years.

STATUTORY AND NON-STATUTORY TRANSFER PAYMENTS^a

(millions of dollars)	Actual		
	1999-2000	2000-2001	2001-2002
Non-Statutory Transfer Payments	2.2	1.8	1.8
Workers' Compensation Payments	102.1	112.7	119.0
Total	104.3	114.5	120.8

a. For complete financial information by Service Line, see Figures 2 to 5 on pages 55 to 59.

During 2001-2002, we identified major priorities in our work to provide Canadians with safe, fair, stable and productive workplaces. In our *2001-2002 Report on Plans and Priorities* we committed to achieve the following priorities for this strategic outcome:

- Meeting our responsibilities under Canada's labour laws;
- Fostering a more harmonious, safe and equitable environment in Canadian workplaces; and
- Participating in international initiatives to foster cooperation and promote respect for core labour standards.

A table summarizing all performance indicators related to this strategic outcome is on page 40.

Meeting our Responsibilities under Canada's Labour Laws

Benefits to Canadians:

Providing Canadians with safe, fair, stable and productive workplaces

Over time, we have focused on two major areas to ensure that federal labour legislation is as effective as possible in contributing to the achievement of this Strategic Outcome. One is to look for ways to improve how we deliver services under our labour legislation. The other is to support the government's legislative review and amendment processes.

Under our service delivery emphasis, we have been implementing a more focused, preventative approach to target our work better and gain the greatest impact from our resources. For example, we put an implementation plan into place for the new health and safety provisions of Part II of the *Canada Labour Code*. As part of this, we identified the industry sectors most in need of accident prevention and health hazard assistance to improve occupational health and safety. We were also able to identify specific factors within certain industries or even specific workplaces that presented the most risk and we concentrated our efforts accordingly. While there is an early indication that accident and injury rates have decreased, we are developing a comprehensive, long term measuring tool that will facilitate analysis and provide concrete results.

We also implemented Alternate Dispute Resolution (ADR) nationally as a way to address unjust dismissal complaints under Part III (Labour Standards) of the *Canada Labour Code*. We offered ADR in 196 cases, of which 89 cases went on to mediation and 63 cases were resolved. The average time to resolve the complaint through ADR was 4.4 months, in comparison with up to 18 months to reach resolution through the formal adjudication process, with a related cut in the cost of addressing these cases and increased client involvement in achieving amicable resolutions. Given those results, we also began to pilot ADR as a process to deal with complaints about unjust dismissal involving First Nations, and complaints seeking to recover wages.

As part of our ongoing commitment to support legislation modernization, we began preparations for a potential review of the *Canada Labour Code*, Part III (Labour Standards), with initial work to examine maternity issues. We also supported consultation and review of the *Government Employees' Compensation Act* (GECA), which could lead to revisions to that legislation, and ensured that workplace concerns were taken into account in the modernization of the *Canadian Human Rights Act*. A Pay Equity Task Force was established to examine federal pay equity legislation.

Fostering a more Harmonious, Safe and Equitable Environment in Canadian Workplaces

Parliament has recognized that good industrial relations practices are in Canada's best interests because they promote economic stability and increased productivity. HRDC undertakes activities to assist unions and employers in the federal jurisdiction to prevent labour disputes and resolve collective agreements without work stoppages. We also support other initiatives to explore issues. For example, the Minister of Labour hosted a roundtable on "Modernizing Labour Policy within a Human Capital Strategy".

During the review period, HRDC provided dispute resolution assistance to 339 employers and unions, an 8% increase over 2000-2001 and the fourth year of increased demand for this type of dispute resolution assistance. Despite the increased workload, 93.7% of disputes were resolved without work stoppage.

We also encourage and support more harmonious workplace relationships through our Preventive Mediation and Labour-Management Partnerships Programs. Preventive Mediation services are designed to encourage the development of constructive and cooperative relationships between workplace partners. Virtually all clients of the Federal Mediation and Conciliation Service surveyed in the recent Client Satisfaction Survey who made use of the preventive mediation services were satisfied with these programs, which are designed to encourage the development of constructive and cooperative relationships between the workplace partners. This helps to explain growing demand for the service within the federally-regulated private sector and among some provincial labour ministries. Demand for this service has been steadily growing within the federal private sector, and a number of provincial labour ministries have sought the assistance of HRDC to provide preventive mediation programs within their jurisdictions as well.

The *Employment Equity Act* sets obligations for many employers under federal jurisdiction regarding equity, contracting and equal pay, that are fundamental to our Strategic Outcome. In addition to other work supporting a scheduled Parliamentary review of the Act, we provided affected employers increased access to electronic information and reporting tools. These tools assisted employers to formulate plans to fulfil their legislated requirements and report more easily. This increased total reporting by employers and its accuracy, leading to better data on progress toward a fully representative work force. To complement this direction, new software allowed employers to perform their own workforce analyses, also assisting them to meet their equity requirements.

We were provided with more funding and staff, complemented by comprehensive training to monitor the Federal Contractors Program under the *Employment Equity Act* and the equal pay provisions of the *Canadian Human Rights Act*, which had an early impact. Initial results indicate marked increases in both the number of contracting reviews and equal pay visits to employers. This, combined with continued consultation in these areas, will greatly increase the levels of compliance with legislated requirements.

We gather, analyze and provide access to information to make it possible for employers and unions to address their own specific workplace issues in more informed ways as a key to meeting this Strategic Outcome. In November 2001, we changed our collective bargaining analysis and databases to provide clients with information on small bargaining units (100-499 employees), as well as those covering 500 employees or more. We also began to provide an analysis of new trends in working conditions and benefits contained in collective agreements. These changes helped increase the use of our workplace information products and services. We responded to more than 7,050 information requests in 2001-2002, up from 6,300 in 2000-2001.

Because issues of work-life balance have become a government interest, we supported efforts to understand and respond to these issues. We launched a website³⁷ providing information on how to implement measures to enhance work-life balance, and supported research which identify workplace practices and provisions in collective agreements that accommodate the needs of workers with family responsibilities and child-care arrangements so that others may draw on it.

In an ongoing effort to address all aspects of client requirements, our Workplace Information Directorate sought to obtain client feedback on the quality, value and usefulness of its industrial relations publications and interactive database through surveys conducted in October 2001 and February 2002. The publications survey findings revealed that 74 to 83% of subscribers indicated overall satisfaction. When asked to identify their organization's main sources of industrial relations information, 45% of participants pointed to information available from HRDC, by far the number one source. These surveys provide an additional opportunity for clients to provide feedback on their level of satisfaction with the quality, usefulness and relevance of the information products, as well as the opportunity to provide suggestions for improvement. The survey on Client Satisfaction received a very high mark (see page 42) from clients contacted.

Participating in International Initiatives to Foster Cooperation and Promote Respect for Core Labour Standards

Canada recognizes the importance of protecting labour rights in the context of trade liberalization, leading to our continuing work under labour cooperation agreements with the United States, Mexico and Chile to benefit workers and employers in all these countries. During the year, Canada signed a Labour Cooperation Agreement with Costa Rica, which accompanies the Free Trade Agreement and a Memorandum of Understanding with Brazil to promote cooperation in the field of labour. Exploratory talks were held with Singapore with a view to negotiating a labour cooperation agreement in parallel to a Canada-Singapore Free Trade Agreement.

Canada was host of the XII Inter-American Conference of Ministers of Labour (IACML) of the Organization of American States in October 2001. It brought together Ministers from 34 countries of the Americas to address the labour challenges in the Americas in the context of economic integration. Canada's Minister of Labour became IACML Chair until 2003. This role, and our commitment to monitor the IACML Plan of Action, put Canada in a unique leadership position on labour issues in the Americas.

³⁷ For further information, see <http://labour-travail.hrdc-drhc.gc.ca/worklife/>

We strongly supported the International Labour Organization's International Programme for the Elimination of Child Labour. Canada funded projects to combat child domestic labour in Central America and the Dominican Republic, and a similar project in a group of Caribbean countries.

Summary of Performance Indicators

The following table reports on performance indicators, objectives and results, for the year 2001-2002.

Performance Indicators	Objective (O) Result (R)
Percentage of unjust dismissal complaints settled by inspectors (Part III of the <i>Canada Labour Code</i>)	O: 75.0% R: 76.0%
Percentage of Part II situations of non-compliance (excluding situations of danger) voluntarily resolved through the acceptance of Assurances of voluntary compliance (Part II of the <i>Canada Labour Code</i>)	O: 90.0% R: 98.0%
Percentage of collective bargaining disputes settled under Part I of the <i>Canada Labour Code</i> without work stoppage	O: 90.0% R: 93.7%

Sustainable and effective program management and service delivery

This strategic outcome includes a range of initiatives grouped under three themes:

- Modernizing Service for Canadians.
- A strong, effective and accountable organization that focuses on ongoing efforts to improve HRDC services and operations.
- A capable and diverse workforce by creating a workplace of choice.

During 2001-2002, we continued our ongoing range of services and support to departmental programs, including policy development and coordination, communications, computer systems and technology supports, financial, administrative and human resource functions. In addition, we pursued several department-wide priorities that we identified in our *2001-2002 Report on Plans and Priorities* and that emerged during the year.

A table summarizing all performance indicators related to this strategic outcome is on page 51.

Modernizing Service for Canadians

Benefits to Canadians:

Canadians will receive choices on how to access seamless and timely services that are relevant to their personal needs and guarantee privacy and security.

HRDC developed and initiated a multi-year Modernizing Service for Canadians (MSC) Initiative, to put citizens first in transforming and integrating the social services delivered by HRDC and the Government of Canada. MSC will improve client service by building on best practices, approaches and models from the public and private sectors.

A Strong, Effective and Accountable Organization

Benefits to Canadians:

An organization that gets the best possible results from the public funds entrusted to it.

Service Improvement Initiative

The government's Service Improvement Initiative (SII) commits individual departments to achieve a 10% increase in existing client satisfaction levels. As a lead department and high-profile provider of services, we have conducted client satisfaction surveys, using the Common Measurements Tool, to establish an accurate baseline measurement of client satisfaction and to give us a sense of priorities for improvement.

Seventy-nine per cent of Canada Pension Plan (CPP) and Old Age Security (OAS) clients and 77% of Employment Insurance (EI) clients were satisfied with our overall quality of service. Satisfaction in two areas of Labour (Federal Mediation and Conciliation Service and Workplace Information Directorate) was 88% and 81% respectively. Employment Programs survey results indicated an overall level of 83% for those Employment Benefit and Support Measures that we deliver directly. In the case of the Canada Student Loans Program (CSLP) activities, including other service providers, the satisfaction level was 71%. Clients of Collection Services of CSLP whose primary function is to collect loans from persons who are already in default, were also surveyed. Results for the collections activities are not included in the overall CSLP results due to the significant difference in the nature of the business. Most were either satisfied (40%) or neutral (27%) about the overall quality of service received. Service improvement action plans are being developed based on the survey results.

These surveys complemented our other client feedback mechanisms, such as work towards a survey of people who use our Interactive Voice Response System and a new ministerial correspondence complaints process for CPP and OAS to better track, analyze and report on client issues. We developed a draft Client Service Charter for the Department reflecting the five SII drivers of client satisfaction: timeliness, knowledgeable and competent staff, courtesy and comfort, fair treatment and outcome. The Charter provides an overarching framework that will be supported by new service standards at the branch and program level.

Ensuring Quality Service

In addition to results on the achievement of departmental service standards, which we report in a table at the end of this section, and our client feedback mechanisms, which we integrated into the discussion of the Service Improvement Initiative above, we continued to address other client service priorities. The Service Delivery Policy and Modernizing Service for Canadians ensure our programs and services are delivered in a manner that is citizen-centred and provides a choice of service channels.

Telephone Access

Our telephone services for CPP, OAS, EI and related services continued to be a challenge. We did not consistently meet our objective that clients would speak to an agent within three minutes of calling, 95% of the time. When we analyzed HRDC call centre operations to identify possible reasons, we found call length had increased and staff turnover was high.

To improve service, our Income Security Programs (ISP) increased resources to call centres. This enabled the hiring and training of new staff, the introduction of a new system to assist call centre managers to schedule agent time and address daily peak periods, and added other supports as part of our *HRDC Call Centres Vision and Blueprint for Action 2001-2003*. We updated our Interactive Voice Response systems to establish a single national standard, achieving consistent national service delivery for all telephone inquiries to the call centres.

Accurate EI and ISP Payments

We continued to work toward improving the accuracy of benefit payments in our Employment Insurance and Income Security Programs (e.g., CPP and OAS benefits). For example, we improved communication with our clients, advising them of their rights and responsibilities through information sessions and brochures, and we established a more rigorous system of reassessing CPP Disability beneficiaries. We have ongoing collaboration with numerous partners such as the Canada Customs and Revenue Agency (CCRA) and provincial representatives, negotiations with provincial representatives to establish access to automated vital statistics death data, and partnerships with funeral homes to obtain notification of death, so overpayments do not occur.

We have also started to develop stronger links between our CPP, OAS and related programs, the Social Insurance Registry (SIR) and other government departments and partners to obtain more accurate and timely information.

A more comprehensive quality improvement strategy was implemented to standardize quality monitoring activities that relate to the EI program. All Human Resource Centres of Canada (HRCCs) now perform and report on their quality monitoring responsibilities. This was complemented by a new manager's kit containing tools and reference on how to improve the quality of EI service delivery in December 2001. This initiative allows Regions and HRCCs to establish a feedback mechanism to inform employees on the quality of their work, identify their training needs, make suggestions on how to improve quality and highlight successes. During 2001-2002, quality monitoring activities such as these resulted in 10% improvement in the quality of EI claims processing and benefit payments.

Speed of Payments

In April 2001, we introduced a new performance measure to assess the timeliness of our EI claims processing and benefits payments. Speed of Payment or Otherwise Entitled (SOPOE) assesses the timeliness based on when a client's claim for EI benefits commences as opposed to when a client files for EI benefits. It addresses concerns raised by the Auditor General about the effectiveness of the old speed of payment measure and supports changes that are intended to improve service to Canadians who are entitled to benefits.

Results under the new and old measures are not comparable. The new measure is more comprehensive because it measures speed of payment for a broader range of claims and is more challenging because it can be affected by client-initiated delays in filing for benefits. As a result, we established an objective of 75% for the SOPOE measure for 2001-2002. We were able to achieve 64% for the month of March 2002 and a fiscal year result of 60%. We will continue to monitor results and are confident that the objective of 75% will be achieved in the 2002-2003 fiscal year.

Improve the Management of Public Funds

As the Department responsible for some of the government's largest programs, we continue to improve the management of these funds.

In the EI program, we strived to reach or exceed the performance indicators listed at the end of this section. In addition, we developed a course on interviewing, fact-finding and documentation skills that is expected to improve EI staff interactions with clients. More generally, we introduced a "balanced scorecard" measurement approach. This involves attention to all aspects of program success, and will enable us to identify potential improvements.

Our overall strategy to protect the integrity of the EI Account continued to consist of three basic elements: "prevention" to stop abuse from happening; "detection" to discover abuse that has already happened; and "deterrence" to discourage abuse from happening. This included ongoing measures such as information sessions for EI claimants and 726,278 investigations that generated more than \$543 million in total savings to the EI Account, slightly more than our key performance objective of \$539 million.

An important related focus of this work was efforts to improve the overall management of the Social Insurance Number (SIN) program and integrity of the Social Insurance Registry. We initiated discussions to verify birth and death information from provincial and territorial vital statistics agencies. By verifying birth information provided by SIN applicants with the issuing provincial/territorial agency, we will have additional assurance of the identity of people applying for SINs. We have reviewed and began to change the documents that we accept to prove identity in the SIN application process. We implemented the SIN Application Review program to assist front-end staff in our HRCCs to identify SIN applications that merit more review by our Investigation and Control Officers. These combined efforts are expected to reduce abuse of the SIN program and help prevent issuing multiple SINs to same individual.

In 2001-2002, along with the existing tools and training materials, we developed and pilot tested staff training courses on Identity Fraud and on SIN Investigations. The results of these pilots have led us to work on a combined course for investigators. We also developed an Identification Document Guide, and distributed ultraviolet lamps that assist staff in HRCCs to identify fraudulent documents used to apply for SINs. Consistent with our commitment to improved information, we produced and updated various information and products to inform EI claimants, employers and the general public about the importance of the SIN and the need to protect it from misuse.

We implemented several initiatives to reduce fraud and improve the integrity of the almost \$10 billion Canada Student Loans Portfolio. For example, the Canada Student Loans Program (CSLP) SIN validation program in Ontario ensures that the loan applicant's information is accurate and reduces the opportunity for fraudulent applications. We also took measures to tighten the security of the Canada Post identification verification of students' applications. We developed a framework that will demonstrate improved accountability to both student borrowers and Canadian taxpayers for the Canada Student Loans Portfolio, resulting from regular measurement against established benchmarks of the CSLP objectives.

Modernization of Comptrollership

The Modern Comptrollership Initiative is strengthening the skills of HRDC managers to ensure our programs and services respond to the priorities of Canadians, while focusing on values-based and cost-effective results.

By the end of 2001-2002, more than 95% of HRDC managers had taken part in our Modern Comptrollership course, participating in group discussions and case studies on the application of risk management, values and ethics, performance information and control systems. Our commitment to modern comptrollership is evident in the many activities implemented to strengthen management decisions and practices. These are captured in our national action plan entitled *Management in HRDC – Moving Forward in the 21st Century*.

In November 2001, the first group of HRDC managers graduated from the two-year part-time university certificate program on comptrollership, which is a joint project between HRDC and the University of Victoria. The success of that program led to similar arrangements with the University of Ottawa to begin in September 2002.

We re-created our modern comptrollership website,³⁸ which allows the public, Parliamentarians and other government departments to track HRDC's current Modern Comptrollership activities. The site also lists best practices that HRDC and other departments can use to enhance how modern management is implemented into day to day activities.

³⁸ For further information, see <http://www.hrdc-drhc.gc.ca/modernmanagement>

Recovery of Monies Owed to the Crown

Much of our work in recent years to improve the management and collection of accounts receivable has centred on implementing a single department-wide Accounts Receivable Strategy of “one account, one system, one collector”. It focuses on the collection of harmonized receivables, interest implementation and the use of a comprehensive accounts receivable system.

We expanded the selection criteria for recovering payments from the personal income tax refunds of debtors and from payments that would otherwise come to them from other HRDC programs. This resulted in the recovery of 5% more funds.

We fostered additional partnerships and expanded information-sharing with other government departments and agencies in support of Accounts Receivable Strategy initiatives to enhance recoveries, eliminate duplication and establish departmental policies and practices.

Privacy Management Framework

The Privacy Management Framework (PMF) is an overarching infrastructure to manage personal information within HRDC, in accordance with privacy principles, current laws and public concerns.

In 2001-2002, our Department undertook the research and development of the PMF, which will include the development and adoption of a departmental privacy statement and the education of employees. We continued work on the Databank Review Committee (DRC), responsible for ensuring that privacy considerations are taken into account in research-related activities. The DRC recommended 21 research projects for approval by the Deputy Minister during the fiscal year.

Government On-Line

HRDC contributed significantly to the government-wide goal of being the “most connected” to its citizens of any government in the world by 2005. To ensure coordinated department-wide actions we created a group fully dedicated to Government On-Line and Business Transformation.

We continued our work to support the government “clustering” strategy that brings together on-line information and services from all departments and agencies of interest to particular groups. HRDC leads five electronic clusters and works with other departments and agencies on others.

A good example is the Financial Assistance and Entitlements (FAE) Cluster.³⁹ This links Canadians to information on all federal government benefit programs for individuals, including seniors, parents, the unemployed, students, veterans and persons with disabilities. Supporting the concept of one-stop access to integrated services, the FAE website allows Canadians to search for benefits for which they may be eligible without having to know which federal department or program is responsible for

³⁹ For further information on the Cluster, see <http://www.canadabenefits.gc.ca>

administration. This improves citizens' access to government programs and services. The FAE Cluster project⁴⁰ was led and developed by many partners, with HRDC providing overall direction.

HRDC led a different partnership to create YouthPath.ca – the Government of Canada's Youth e.cluster with 16 other departments. Part of YouthPath's success came from our commitment to listen to the youth who would use the site through the largest and longest running youth engagement initiative ever undertaken by the Government of Canada.

The success of the Jobs, Workers, Training and Careers (JWTC) e.cluster is due in part to continuous improvements, such as more links to labour market information and job listings. Traffic on the JWTC site has grown from 18,000 to 250,000 user sessions per month. The creation of a virtual advisory group plus the development of a tool for ongoing user feedback is enabling the government to hear from users.

Persons with Disabilities Online⁴¹ provides persons with disabilities, their families, caregivers and others with an interest in disabilities access to a broad range of information. Working closely with the community, the site also seeks to strengthen the ability of persons with disabilities to use the Internet through the adherence to and promotion of strict accessibility standards.

Another focus of our Government On-Line (GOL) work was to bring services on-line quickly. We used 98% of the special GOL funding we received in 2001-2002 to undertake five GOL pathfinder and eight GOL strategic investment projects. These expenditures totalled \$31.8 million. For example, we launched Job Bank for Employers, which allows employers to enter job advertisements directly into our systems. This was supported by a new translation mechanism that has improved the quality of translated job vacancies.

We successfully piloted "Appli-Web", the on-line EI application process, paving the way for national implementation. We also piloted "ROE-Web", which enabled six major employers to submit 23,000 Records of Employment (ROE) over the Internet for employees who were leaving their jobs. All this was complemented by an improved "Teledec" service that enables EI clients to report on their weekly employment status using an automated telephone process, instead of completing and mailing the traditional "report cards."

We also made some progress on our CPP and OAS programs on-line initiatives, such as providing a link to the Canadian Retirement Income Calculator that will allow Canadians to estimate their benefits and review their retirement options. Progress was also made toward a web-based system that will permit our front-line agents to manage a wider range of client inquiries and transactions.

To support all these initiatives we have been conducting privacy impact assessments, addressing security issues and reviewing legislation, regulations and policies to ensure compatibility with automated processes and to streamline processes for citizens.

⁴⁰ For further information on the Cluster, see http://www.hrdc-drhc.gc.ca/dept/reports/gol-ged/hrdc_gol.shtml

⁴¹ For further information, see <http://www.pwd-online.ca/en/menu.jsp>

Information Technology Renewal

Replacement of the technological "backbone" of HRDC through an infrastructure renewal process will continue to provide the information technology (IT) foundation necessary to ensure that we meet the service delivery demands of Canadians. As part of this, we made significant progress in IT renewal projects designed to enable us to implement Government On-Line services and to address current and expected departmental needs.

To ensure maximum benefit from our investments in infrastructure renewal, we have completed the first phase of the IT Asset Renewal project. This involved the development of a business case and acquisition strategy for ongoing asset renewal. The life cycle renewal strategy for IT assets will allow us to be proactive in the stewardship of IT investments permitting our department to respond effectively to service delivery and technology directions. We also continued to stress the need to implement standardized, shared and reusable software components across all branches in an effort to limit development and maintenance costs.

Grant and Contribution Programs

Since 2000, HRDC has devoted substantial effort to strengthen the administration of our grant and contribution programs.

We made significant progress in developing the Common System. This is an integrated information system to track the performance and support the management of our grant and contribution programs. We developed stronger guidelines and tools, trained program delivery staff and managers and reported our progress to the public and Parliament on a regular basis. Our Department is also streamlining practices and procedures to better reflect risk management principles while ensuring proper accountability for public funds.

Independent assessments have concluded that we fulfilled or were on schedule to fulfill all of the commitments identified in the Six-Point Action Plan.

In 2001, the Office of the Auditor General conducted a follow-up audit of the Department's administration of grant and contribution programs. Later that year, the Auditor General reported to Parliament that HRDC has made "good progress towards meeting the major commitments of the action plan" such as "quality assurance measures that provide for ongoing monitoring and ensuring that staff understand the basics of financial control." The report also noted HRDC's compliance with previous recommendations of the Auditor General.

The Standing Committee on Public Accounts also recognized "... the serious efforts made by the Department to correct the many outstanding problems in the administration and management of grants and contributions identified by various audits. Much has already been accomplished, there seems to be evidence of improvements."

Recognizing the need to go beyond improving the administration of grant and contribution programs, HRDC launched the Program Management Initiative in May 2000. This initiative produced an Integrated Action Plan to guide the work on modernizing our grant and contribution programs with a focus on increased relevance of programming, strengthened stewardship and improvement of services to Canadians. Early results indicate progress in improved and more sustainable policies, programs and services, which are consistent with our skills and learning priorities. In particular, we are reviewing our current array of programs and making necessary changes to ensure responsiveness to client needs by providing access to a continuum of interventions at the community level. We are also working to better balance required administrative control and the flexibility needed to allocate resources in the most efficient way while providing these services to clients of our grant and contribution programs.

A Capable and Diverse Workforce by Creating a Workplace of Choice

Benefits to Canadians:

The employees of HRDC continually strive to provide quality service to Canadians. Maintaining a capable and diverse workforce ensures the sustainability of HRDC's commitment to provide Canadians with responsive policies, programs and services.

The unparalleled dedication and commitment of HRDC staff allows our department to continue to provide a high quality of service to Canadians. Our approach to human resources management ensures that we can respond to the evolving needs and demands of Canadians by also meeting the needs of our staff.

We recognize that we operate in a rapidly changing and competitive marketplace for skilled people. We continued to focus on learning and development. In 2001-2002, we invested \$32 million in employee learning, representing an average of 2.71 learning days per employee. We also introduced new workshops to respond to staff and manager priorities for learning, continued to support management development programs (such as our Career Assignment Program and Management Trainee Program) and offered employment opportunities to 2,100 students under the Federal Student Work Experience program and the Co-op program.

We have recognized the importance of leadership development and succession management to our future strength. Our new Leadership Profile links competencies, behaviours and expectations of leaders to achieving the business strategy of the Department. It applies to all levels of management and is also a tool to guide the development of aspiring managers. In support of this, we have developed a corporate approach to leadership development and have implemented the first year action plan of our Succession Management approach. This will allow us to ensure that we have people with the leadership capacity to fill future executive resourcing needs. This also will enable the Department to focus development and recruitment activities where needed to ensure that we can meet future business needs.

Supporting employee wellness continued to be a key activity. In addition to reaching hundreds of employees and managers through our wellness activities and consultations, we also developed a Business Health Culture Index toolkit and designed and delivered training on the use of this tool. Making HRDC a healthy and desirable workplace is the common goal as we continued to foster a collaborative union-management relationship through the creation of several new consultative labour-management forums.

We continued to advance our agenda to attract and retain a representative workforce through the development of employment equity performance indicators, the development of a monitoring program and the development and delivery of a diversity training program. Positive results show HRDC's progress towards increasing the representation of the visible minority group from 6.0% to 6.6%. The use of special programs helped us to address under-representation. Building on the success of these programs, the Department expanded the delegation of authority for managers to allow for the recruitment of all designated group members, where under-representation exists, through the Employment Equity Recruitment and Development Program, effective April 1, 2002.

Summary of Performance Indicators

The following table reports on performance indicators, objectives and results, for the year 2001-2002.

Performance Indicators	Objective (O) Result (R)
Percentage of first benefit cheques paid as early as legally possible (within 28 days of when an individual's benefit period is to begin)	O: 75% R: 60.2%
Percentage of first benefit cheques paid as early as legally possible (within 28 days from registration of claim)	O: 90% R: 95.1%
Accuracy rate in payment of Employment Insurance (EI) Benefits	O: 94% R: 93.4%
Dollar value of Savings from EI detection activities and from deterrence and prevention activities	O: \$539.0M R: \$543.1M
Percentage of EI appeals scheduled to be heard within 30 days of the filing of an EI appeal	O: 90% R: 83.7%
Percentage of EI callers answered by a Service Delivery Agent within three minutes	O: 95% R: 74%
Percentage of Income Security Programs callers answered by a Service Delivery Agent within three minutes	O: 95% R: 81.9%
Total dollars collected – Employment Insurance and Employment Programs	O: \$215.1M R: \$222.6M
Total dollars collected – Canada Student Loans Program	O: \$120.0M R: \$128.3M
Total dollars collected – Canada Pension Plan (CPP) Inactive Accounts	O: \$6.0M R: \$6.4M
Percentage of Information Technology project phases completed on budget and on time	O: 85% R: 88%
Turnover rate of Indeterminate Employees	R: 3.1%
Visible minority representation	O: 8% R: 6.6%
Aboriginal representation	O: 1.5% R: 3%
Persons with disabilities representation	O: 3.9% R: 7.1%
Service Standards	
First Employment Benefits and Support Measures payments received within 28 days	R: 94.8%
First Employment Insurance benefits payments received within 28 days	R: 60.2%
First Old Age Security benefits payments received within 35 days	R: 29.4 days
First Canada Pension Plan benefits payments received within 35 days	R: 34.9 days
24-hour emergency response service for fatal accidents and refusals to work	R: 100%
Respond to complaints of unjust dismissal within two working days	R: 98.8%

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Financial Performance Overview

The financial tables on the following pages provide information on:

- planned spending at the beginning of the year as reported in the *2001-2002 Report on Plans and Priorities*;
- the total authorities approved during 2001-2002 reflecting priority adjustments and technical adjustments;
- actual 2001-2002 expenditures as reported in the 2001-2002 Public Accounts; and
- a multi-year trend (1999-2000 to 2001-2002), where appropriate, to provide a financial perspective of HRDC activities (see figures 2 to 5, on pages 55 to 59).

In 2001-2002, the Department was authorized to spend \$29,712 million or \$369 million less than the planned spending of \$30,081 million. This was mainly due to:

- a net decrease of \$217 million attributable to a lower than expected growth in the value of loans disbursed under the *Canada Student Financial Assistance Act*;
- a net decrease of \$175 million in statutory payments authorities mostly related to three items: a decrease of \$195 million in the Canada Student Loans Program due to changes in the forecasted program information; a decrease of \$165 million in the Canada Education Savings Grants due to a lower demand than originally estimated; and an increase of \$185 million in Old Age Security payments reflecting changes in the average monthly benefits and expected numbers of recipients; and
- a net increase of \$23 million in operating expenditures and grants and contributions. This was mainly due to an increase of \$116 million in the net operating resources received for various departmental requirements such as information management and technology, the Canada Student Loans Program and collective agreements; and a net decrease of \$93 million in grants and contributions related to reduced contribution requirements.

The actual expenditures of \$29,400 million were \$312 million lower than our total authorities of \$29,712 million. This was mainly due:

- a lapse of \$139 million related to the actual number of loans disbursed under the *Canada Student Financial Assistance Act* being less than estimated;
- grants and contributions expenditures being \$146 million less than originally projected. This lapse can be mainly attributed to funding being reprofiled to 2002-2003 for the Homelessness initiative (\$92 million) to ensure that funds would be available for proposals that are developed for activities to alleviate homelessness; and
- a net operating lapse of \$27 million related to frozen resources or resources controlled separately such as the costs of translation for court case decisions.

FIGURE 1: SUMMARY OF VOTED APPROPRIATIONS

Human Resources Development Vote (millions of dollars)	2001-2002		
	Planned Spending	Total Authorities	Actual
Department			
1 Operating expenditures	475.0	603.3	576.6
5 Grants and contributions	1,062.8	969.8	823.4
6 Write off debts – Government Annuities Account	-	0.0	0.0
(S) Minister of HRD – Salary and motor car allowance	0.1	0.1	0.1
(S) Minister of Labour – Salary and motor car allowance	0.1	0.1	0.1
(S) Interest payments under the <i>Canada Student Loans Act</i>	1.3	0.7	0.7
(S) Liabilities under the <i>Canada Student Loans Act</i>	92.7	(2.9)	(2.9)
(S) Interest and other payments under the <i>Canada Student Financial Assistance Act</i>	344.9	333.9	333.9
(S) Grants to the trustees of Registered Education Savings Plans pursuant to Part III.I of the Department of Human Resources Development Act	499.0	334.2	334.2
(S) <i>Canada Student Financial Assistance Act</i> – Canada Study Grants	120.1	69.7	69.7
(S) <i>Canada Student Financial Assistance Act</i> – Direct Financing	135.9	92.5	92.5
(S) Supplementary Retirement Benefits – Annuities agents' pensions	0.0	0.0	0.0
(S) Labour Adjustment Benefits payments	0.7	1.0	1.0
(S) Payments of compensation respecting government employees and merchant seamen	45.6	49.1	49.1
(S) Payments to private collection agencies pursuant to Section 17.1 of the Financial Administration Act	15.4	14.3	14.3
(S) Old Age Security payments	19,533.0	19,756.2	19,756.2
(S) Guaranteed Income Supplement payments	5,236.0	5,216.8	5,216.8
(S) Allowance Payments	412.0	392.4	392.4
(S) Contributions to employee benefit plans ^a	181.3	188.8	188.8
(S) Spending of proceeds from disposal of surplus Crown Assets	-	0.6	0.4
(S) Refunds of amounts credited to revenues in previous years	-	8.3	8.3
(S) Civil Service Insurance actuarial liability adjustment	-	0.3	0.3
Total Department	28,155.7	28,029.1	27,855.8
<i>Plus: Initiatives announced in the 2001 Budget^b</i>	25.1	N/A	N/A
Total Department – Adjusted Net Budgetary	28,180.8	28,029.1	27,855.8
Plus: Non-Budgetary			
Loans disbursed under <i>Canada Student Financial Assistance Act</i>	1,900.0	1,683.0	1,544.1
Total – Main Estimates Part II	30,080.8	29,712.1	29,399.9
	Planned Spending	Total Forecast^c	Actual
Plus: Specified Purpose Accounts :			
Employment Insurance (EI) costs	13,589.9	15,607.3	15,234.2
Canada Pension Plan (CPP) costs	20,371.4	20,665.4	20,861.2
Other Specified Purpose Accounts costs	65.8	64.9	65.6
Employee Benefit Plan recoverable from EI Account and CPP	(133.1)	(147.6)	(136.0)
Total Expenditures	63,974.8	65,902.1	65,424.9

N/A – not applicable

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

b. These initiatives include \$25 million for CSLP.

c. Data reflect the 2001-2002 forecast as reported in the *2002-2003 Reports on Plans and Priorities (RPP)*.

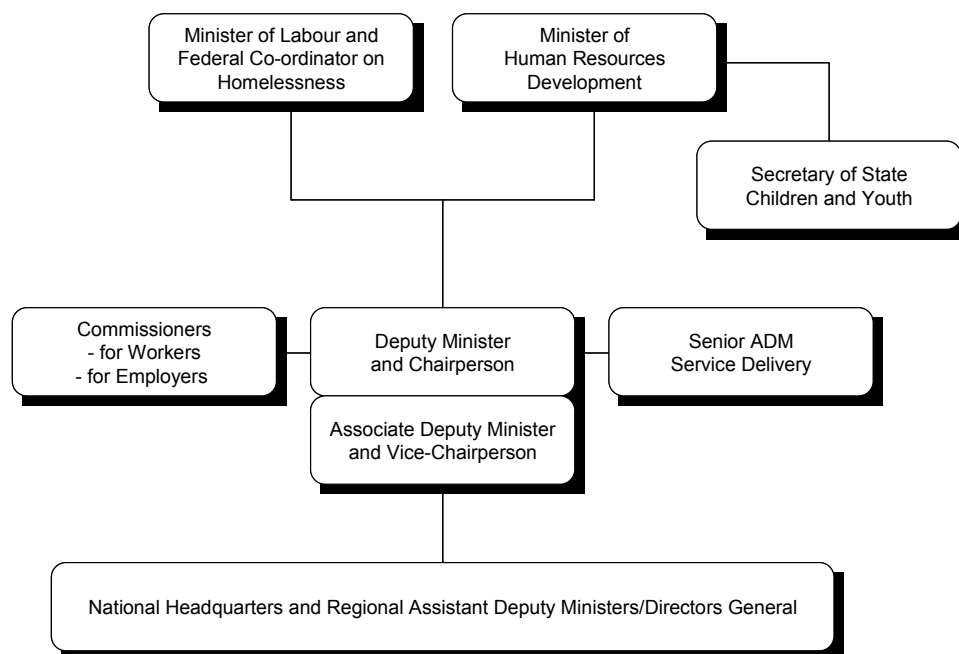
Note: All financial tables within this report are expressed in millions of dollars and may not add due to rounding.

FIGURE 2: COMPARISON OF TOTAL PLANNED TO ACTUAL SPENDING FOR 2001-2002

(millions of dollars)

	FTEs	Operating	Capital	Voted Grants and Contributions	Subtotal: Gross Expenditures	Statutory Grants and Contributions	Total Gross Expenditures	Less: Respendable Revenues	Total Net Expenditures
Service Lines									
Income Security	3,479	279.3	-	-	279.3	25,181.0	25,460.3	(168.3)	25,292.0
	<i>3,949</i>	<i>292.7</i>	-	<i>0.0</i>	<i>292.7</i>	<i>25,365.4</i>	<i>25,658.0</i>	<i>(168.2)</i>	<i>25,489.8</i>
	3,949	287.1	-	0.0	287.1	25,365.4	25,652.4	(168.2)	25,484.2
El Income Benefits	7,596	513.9	-	-	513.9	-	513.9	(451.4)	62.6
	<i>7,576</i>	<i>559.0</i>	-	<i>0.0</i>	<i>559.0</i>	<i>0.3</i>	<i>559.3</i>	<i>(495.1)</i>	<i>64.3</i>
	7,576	549.5	-	0.0	549.5	0.3	549.9	(487.8)	62.1
Human Resources	3,885	577.5	-	1,059.5	1,637.0	1,143.6	2,780.6	(270.3)	2,510.3
Investment	4,013	485.2	-	967.5	1,452.7	784.2	2,236.9	(241.4)	1,995.5
	4,013	482.4	-	821.6	1,304.0	784.2	2,088.2	(241.4)	1,846.8
Labour	740	153.0	-	3.3	156.3	0.0	156.3	(51.5)	104.8
	<i>682</i>	<i>177.4</i>	-	<i>2.3</i>	<i>179.7</i>	<i>0.0</i>	<i>179.7</i>	<i>(69.9)</i>	<i>109.7</i>
	682	177.0	-	1.8	178.8	0.0	178.8	(69.9)	108.9
Service Delivery Support	2,832	278.2	-	-	278.2	-	278.2	(191.8)	86.4
	<i>4,518</i>	<i>529.1</i>	-	<i>0.0</i>	<i>529.1</i>	<i>0.0</i>	<i>529.1</i>	<i>(348.4)</i>	<i>180.7</i>
	4,518	515.6	-	0.0	515.6	0.0	515.6	(348.4)	167.2
Corporate Services	2,806	366.9	-	-	366.9	-	366.9	(242.2)	124.8
	<i>3,058</i>	<i>508.5</i>	-	<i>0.0</i>	<i>508.5</i>	<i>0.0</i>	<i>508.5</i>	<i>(319.5)</i>	<i>189.0</i>
	3,047	504.8	-	0.0	504.8	0.0	504.8	(318.2)	186.6
Total	21,338	2,168.9	-	1,062.8	3,231.7	26,324.6	29,556.3	(1,375.5)	28,180.8
	<i>23,796</i>	<i>2,551.9</i>	-	<i>969.8</i>	<i>3,521.7</i>	<i>26,149.9</i>	<i>29,671.6</i>	<i>(1,642.5)</i>	<i>28,029.1</i>
	23,785	2,516.5	-	823.4	3,339.8	26,149.9	29,489.8	(1,634.0)	27,855.8
Less: Non-Respendable Revenues									(255.7)
									(392.4)
									(392.4)
Plus: Cost of services provided by other departments									21.6
									28.2
									28.2
Net Cost of Department									27,946.7
									27,664.9
									27,491.6

Legend:	
For each Service Line...	
First Line	Planned Spending 2001-2002
Second Line	Total Authorities 2001-2002
Third Line	Actuals 2001-2002

FIGURE 3: ORGANIZATIONAL STRUCTURE AND HISTORICAL COMPARISON OF TOTAL PLANNED SPENDING TO ACTUAL SPENDING


(millions of dollars)	Actual		2001-2002		
	1999-2000 ^c	2000-2001	Planned Spending	Total Authorities	Actual
Service Lines					
Income Security	23,670.5	24,518.6	25,460.3	25,658.0	25,652.4
Employment Insurance Income Benefits	583.2	512.5	513.9	559.3	549.9
Human Resources Investment	2,351.8	2,342.5	2,780.6	2,236.9	2,088.2
Labour	158.7	168.4	156.3	179.7	178.8
Service Delivery Support	488.8	498.4	278.2	529.1	515.6
Corporate Services	413.2	452.4	366.9	508.5	504.8
Total Gross Expenditures	27,666.2	28,492.8	29,556.2	29,671.6	29,489.8
Respendable Revenues	(1,521.1)	(1,485.2)	(1,375.5)	(1,642.5)	(1,634.0)
Total Net Expenditures	26,145.0	27,007.6	28,180.7	28,029.1	27,855.8
Specified Purpose Accounts^a					
Employment Insurance (EI)					
Expenditures	12,741.7	12,877.8	13,589.9	15,607.3	15,234.2
Revenues	(19,967.1)	(20,639.9)	(20,563.0)	(19,586.0)	(19,447.0)
EI Current Year Surplus	7,225.4	7,762.1	6,973.1	3,978.7	4,212.8
Canada Pension Plan (CPP)					
Expenditures	19,114.0	19,828.9	20,371.4	20,665.4	20,861.2
Revenues	(21,275.0)	(24,256.0)	(28,292.0)	(26,433.0)	(27,098.0)
CPP Current Year Surplus	2,161.0	4,427.1	7,920.6	5,767.6	6,236.8
Other Specified Purpose Accounts (SPA)^b					
Expenditures	72.9	69.0	65.8	64.9	65.6
Revenues	(38.7)	(36.0)	(33.5)	(31.5)	(33.3)
Other SPA Current Year Surplus (Deficit)	(34.2)	(33.0)	(32.3)	(33.4)	(32.3)

a. For EI Account and CPP, Total Authorities reflect forecast as reported in the 2002-2003 RPP.

b. Other Specified Purpose Accounts include Government Annuities Account and Civil Service Insurance Fund.

c. Numbers are restated by Service Line to reflect the Planning, Reporting and Accountability Structure starting 2000-2001.

FIGURE 4: DETAILS OF RESPONDABLE AND NON-RESPONDABLE REVENUES

(millions of dollars)	Actual		2001-2002		Actual
	1999-2000	2000-2001	Planned Revenues	Total Authorities	
Responsible Revenues^a					
By Service Line:					
Income Security	142.0	151.9	168.3	168.2	168.2
EI Income Benefits	516.1	449.3	451.4	495.1	487.8
Human Resources Investment	229.1	213.7	270.3	241.4	241.4
Labour	48.6	46.6	51.5	69.9	69.9
Service Delivery Support	336.5	337.7	191.8	348.4	348.4
Corporate Services	248.9	286.0	242.2	319.5	318.2
Total Responsible Revenues	1,521.2	1,485.2	1,375.5	1,642.5	1,634.0
Non-Responsible Revenues^b					
By type of revenue:					
Recovery of employee benefit costs	131.9	142.1	133.1	136.1	136.1
Adjustment to prior years' payables	60.1	117.8	0.0	136.5	136.5
Canada Student Loans	149.6	119.7	121.5	107.6	107.6
Other Accounts Receivable	9.8	20.8	0.0	0.0	0.0
Actuarial surplus	5.8	5.6	0.0	4.6	4.6
Miscellaneous items	34.8	23.9	1.1	7.6	7.6
Total Non-Responsible Revenues	392.0	430.0	255.7	392.4	392.4

- a. Includes administrative costs recovered from the EI Account and CPP. Numbers for 1999-2000 are restated by Service Line to reflect the Planning, Reporting and Accountability Structure starting 2000-2001.
- b. As HRDC is now under one operating vote, all non-responsible revenues are deposited to CRF against one vote. The breakdown by Service Line cannot be identified and is therefore shown by type of revenue. Details of non-responsible revenues are presented in Public Accounts Volume II, Part I.

FIGURE 5: STATUTORY AND NON-STATUTORY TRANSFER PAYMENTS BY SERVICE LINE

(millions of dollars)	Actual		2001-2002		
	1999-2000	2000-2001	Planned Spending	Total Authorities	Actual
Grants					
Human Resources Investment					
(S) Labour Adjustment Benefits in accordance with the terms and conditions prescribed by the Governor in Council to assist workers who have been laid off as a result of import competition, industrial restructuring, or severe economic disruption in an industry or region	3.7	2.1	0.7	1.0	1.0
(S) Canada study grants to qualifying full and part-time students pursuant to the <i>Canada Student Financial Assistance Act</i> regulations	103.0	56.6	120.1	69.7	69.7
(S) Grants to the trustees of Registered Education Savings Plans (RESPs) for the benefit of beneficiaries named under those RESPs, pursuant to the Canada Education Savings Grant Regulations of the <i>Department of Human Resources Development Act</i>	334.1	433.5	499.0	334.2	334.2
Grants to individuals, organizations and corporations to assist individuals to improve their employability and to promote employment opportunities by assisting local entrepreneurial development	1.3	0.6	8.2	7.5	0.4
Grants to voluntary sectors, professional organizations, universities and post-secondary institutions and to provincial and territorial governments for literacy	24.7	24.2	28.2	24.9	24.9
Grants to non-profit organizations for activities eligible for support through the Social development partnerships program	5.1	5.7	7.0	7.7	7.4
Others grants	15.4	-	-	-	-
	487.2	522.7	663.2	445.0	437.6
Employment Insurance Income Benefits					
(S) Civil Service Insurance actuarial liability adjustment	-	-	-	0.3	0.3
Labour					
(S) Merchant seamen compensation – Supplementary compensation to certain widows of merchant seamen	0.0	0.0	0.0	0.0	0.0
Canadian Joint Fire Prevention Publicity Committee	0.0	0.0	0.0	0.0	0.0
Fire Prevention Canada	0.0	0.0	0.0	0.0	0.0
To support activities which contribute to occupational safety and health program objectives	0.0	0.0	0.0	0.0	0.0
To support standards-writing associations	0.0	0.0	0.0	0.0	0.0
	0.1	0.1	0.1	0.1	0.1
Income Security					
(S) Old Age Security payments	18,089.1	18,839.8	19,533.0	19,756.2	19,756.2
(S) Guaranteed Income Supplement payments	4,933.9	5,031.1	5,236.0	5,216.8	5,216.8
(S) Allowance payments	391.5	387.6	412.0	392.4	392.4
	23,414.4	24,258.5	25,181.0	25,365.4	25,365.4
Total Grants	23,901.7	24,781.3	25,844.2	25,810.8	25,803.4

FIGURE 5: STATUTORY AND NON-STATUTORY TRANSFER PAYMENTS BY SERVICE LINE
(Continued)

(millions of dollars)	Actual		2001-2002		Actual
	1999-2000	2000-2001	Planned Spending	Total Authorities	
Contributions					
Human Resources Investment					
Payments to provinces, territories, municipalities, other public bodies, organizations, groups, communities, employers and individuals for the provision of training and/or work experience, the mobilization of community resources, and human resource planning and adjustment measures necessary for the efficient functioning of the Canadian labour market	623.1	507.7	606.8	560.8	516.4
Employability assistance for people with disabilities – Payments to provincial and territorial governments, in accordance with bilateral agreements, for the provision of a range of measures to enhance the economic participation of working age adults with disabilities in the labour market by helping them to prepare for, attain and retain employment	189.2	189.2	192.0	189.2	189.2
Contributions to organizations, provinces, territories, municipalities, post-secondary institutions and individuals to encourage and support initiatives which will contribute to the development of a more results-oriented, accessible, relevant and accountable learning system	4.7	3.3	3.4	4.5	2.9
(S) The provision of funds for interest payments to lending institutions under the <i>Canada Student Loans Act</i>	1.7	1.4	1.3	0.7	0.7
(S) The provision of funds for liabilities including liabilities in the form of guaranteed loans under the <i>Canada Student Loans Act</i>	73.7	65.9	92.7	(2.9)	(2.9)
(S) Payments related to the direct financing arrangement under the <i>Canada Student Financial Assistance Act</i>	-	41.5	84.9	48.6	48.6
(S) The provision of funds for interest and other payments to lending institutions and liabilities under the <i>Canada Student Financial Assistance Act</i>	510.4	533.4	344.9	332.9	332.9
Contributions to non-profit organizations, community groups, educational institutions, professional associations, provincial/territorial government departments, and local, regional or national First Nations and Inuit non-profit organizations to support child care initiatives	13.9	4.4	46.2	2.1	1.8
Contributions to organizations, provinces, territories, municipalities, post-secondary institutions and individuals to encourage and support initiatives which will contribute to the development of a more results-oriented, accessible, relevant and accountable learning system of new learning and training technologies (Office of Learning Technology)	-	0.6	2.8	2.4	2.1
Homelessness – Contributions to provinces, territories, municipalities, other public bodies, organizations, community groups, employers and individuals to support activities to help alleviate and prevent homelessness across Canada ^a	-	24.2	165.0	165.0	73.1
Contributions to voluntary sectors, professional organizations, universities and post-secondary institutions and to provincial and territorial governments for literacy	4.9	4.0	-	3.4	3.4
(S) Payments to provinces and territories under the <i>Canada Assistance Plan (Act)</i> and the <i>Federal-Provincial Fiscal Arrangements Act</i>	56.1	-	-	-	-
Other contributions	1.9	-	-	-	-
	1,479.5	1,375.6	1,540.0	1,306.7	1,168.2
Employment Insurance Income Benefits					
(S) Civil Service Insurance actuarial liability adjustment	0.2	0.2	-	-	-
Labour					
Labour-management partnerships program	1.2	0.7	1.6	1.1	0.7
Labour commission	0.9	1.1	1.6	1.2	1.1
	2.1	1.8	3.2	2.3	1.8
Total Contributions	1,481.9	1,377.6	1,543.2	1,308.9	1,169.9
Total Statutory and Non-Statutory Transfer Payments	25,383.6	26,158.9	27,387.4	27,119.7	26,973.3

a. Unspent Homelessness Initiative funds will be reprofiled to future years to ensure that funds are available for proposals that are developed for activities to alleviate Homelessness.

Loans disbursed under the *Canada Student Financial Assistance Act*

Amendments to the *Canada Student Financial Assistance Act* were introduced through the *Budget Implementation Bill, 2000*. The amendments provide the legislative authority to implement a direct financing scheme for the Canada Student Loans Program.⁴² The specific amendments include authorization for the Government of Canada to enter into loan agreements directly with students, to enter into agreements for the administration of the loans with third party service providers and to enter into agreements for the disbursement of loans with financial institutions.

The \$1.7 billion in Total Authorities reflects the principle of the loans negotiated under the *Canada Student Financial Assistance Act* and the estimated value of direct loans issued to students.

FIGURE 6: LOANS DISBURSED UNDER THE CANADA STUDENT FINANCIAL ASSISTANCE ACT

(millions of dollars)	Actual		2001-2002		
	1999-2000	2000-2001	Planned Spending	Total Authorities	Actual
Human Resources Investment					
Loans disbursed under the <i>Canada Student Financial Assistance Act</i>	N/A	1,415.3	1,900.0	1,683.0	1,544.1
Total	N/A	1,415.3	1,900.0	1,683.0	1,544.1

N/A – not applicable

⁴² For further information, see page 79 for the Canada Student Loans Report.

Contingent Liabilities

Human Resources Development Canada has contingent liabilities that amount to \$804.2 million. 99% of this amount represents liabilities related to defaulted guaranteed loans for the Canada Student Loan Program.

FIGURE 7: CONTINGENT LIABILITIES

(millions of dollars)	Amount of Contingent Liabilities		
	As of March 31, 2000	As of March 31, 2001	As of March 31, 2002
List of Contingent Liabilities			
Loans			
Canada Student Loans Program	1,355.9	1,064.1	802.1
Litigations	34.2	38.1	2.2
Total	1,390.1	1,102.2	804.2

Introduction to Specified Purpose Accounts

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

HRDC is responsible for the stewardship of four such accounts:

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

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

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

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

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

The following information updates forecasted data on the EI Account and CPP that we provided in our *2002-2003 Report on Plans and Priorities*.⁴³ That report presented multi-year financial data and general information. Additional information on performance and year-end data is available at the Internet addresses provided in this section.

⁴³ For further information, see <http://www.hrdc-drhc.gc.ca/fas-sfa/rpp0203.shtml>

Employment Insurance Account

The table below summarizes the financial results for the EI Account from 1999-2000 to 2001-2002.

EI ACCOUNT – STATEMENT OF OPERATIONS AND SURPLUS^a

(millions of dollars)	Actual		2001-2002 ^b	
	1999-2000	2000-2001	Forecast	Actual
Unemployment Rate	7.3%	6.9%		7.4%
Revenue				
Premium Revenue	18,825	18,999	18,316	18,295
Penalties	74	76	81	65
Interest	1,068	1,565	1,189	1,087
Total Revenue	19,967	20,640	19,586	19,447
Expenditures				
Benefit	11,280	11,444	14,100	13,686
Administrative costs	1,406	1,408	1,473	1,476
Doubtful Accounts	56	26	34	73
Total Expenditures	12,742	12,878	15,607	15,234
Surplus				
Current Year	7,225	7,762	3,979	4,213
Cumulative	28,203	35,965	39,944	40,178
Employee Premium Rate	1999	2000	2001	2002
(% of insurable earnings)	2.55%	2.40%	2.25%	2.20%

Employer's portion is 1.4 times the employee rate.

- a. The EI Account is a consolidated SPA and is included in the financial reporting of the Government of Canada. Consolidated SPAs are used principally where the activities are similar in nature to departmental activities and the transactions do not represent liabilities to third parties but, in essence, constitute Government revenues and expenditures.
- b. The forecasts for 2001-2002 were presented in the *2002-2003 Report on Plans and Priorities*.

Benefits rose in 2001-2002 due to an increase in the unemployment level, the removal of the intensity rate for benefits paid under Bill C-2, and the extension of the parental benefit period under Bill C-32. EI premiums fell due to lower premium rates, offset slightly by marginal growth in overall employment and insured earnings. Interest revenue decreased because of low interest rates. These factors combined to raise the cumulative EI surplus to \$40 billion as of March 31, 2002.

More detailed information is reported in the 2001-2002 audited EI Account financial statements that are included in the *2002 Public Accounts of Canada*, Volume 1, Section 4.⁴⁴ HRDC also offers a website dedicated to Employment Insurance accountability and reporting.⁴⁵ It provides statistics, evaluation and actuary reports as well as information on the authority, objectives and responsibilities of the Account.

⁴⁴ For further information, see <http://www.pwgsc.gc.ca/recgen/text/pub-acc-e.html>

⁴⁵ For further information, see http://www.hrdc-drhc.gc.ca/ae-ei/loi-law/8.0_e.shtml

Canada Pension Plan

The table below summarizes the financial results for the Canada Pension Plan (CPP) from 1999-2000 to 2001-2002.

CPP – SUMMARY

(millions of dollars)	Actual		2001-2002 ^a	
	1999-2000	2000-2001	Forecast	Actual
Revenue				
Contributions	17,037	21,407	23,354	23,533
Investment Income	4,238	2,849	3,079	3,565
Total Revenue	21,275	24,256	26,433	27,098
Expenditures				
Benefit payments	18,799	19,494	20,311	20,490
Administrative expenses	315	335	354	371
Total Expenditures	19,114	19,829	20,665	20,861
Increase	2,161	4,427	5,768	6,237
Year-end Balance	41,261	45,688	51,456	51,925

a. The forecasts for 2001-2002 were presented in the *2002-2003 Report on Plans and Priorities*.

More information relating to 2001-2002 is reported in the CPP financial statements which can be found in the *2002 Public Accounts of Canada*, Volume 1, Section 6.⁴⁶

⁴⁶ For further information, see <http://www.pwgsc.gc.ca/recgen/text/pub-acc-e.html>

Government Annuities Account

The table below summarizes the financial results for the Government Annuities Account from 1999-2000 to 2001-2002.

GOVERNMENT ANNUITIES ACCOUNT - RECEIPTS AND DISBURSEMENTS

(millions of dollars)	Actual		2001-2002 ^a	
	1999-2000	2000-2001	Forecast	Actual
Actuarial Liabilities –				
Balance at beginning of year	585.8	546.1	507.9	507.8
Income	38.4	35.8	33.1	33.3
Payments and other charges	72.4	68.4	64.4	65.2
Excess of Payments and other charges over income for the year	33.9	32.6	31.3	31.9
Actuarial Surplus	5.8	5.6	5.4	4.5
Actuarial Liabilities –				
Balance at end of the year	546.1	507.8	471.2	471.3

a. The forecasts for 2001-2002 were presented in the *2002-2003 Report on Plans and Priorities*.

The annual report and financial statements for the Government Annuities are available in the *2002 Public Accounts of Canada*, Volume 1, Section 6.⁴⁷

⁴⁷ For further information, see <http://www.pwgsc.gc.ca/recgen/text/pub-acc-e.html>

Civil Service Insurance Fund

The table below summarizes the financial results for the Civil Service Insurance Fund from 1999-2000 to 2001-2002.

CIVIL SERVICE INSURANCE FUND - RECEIPTS AND DISBURSEMENTS

(millions of dollars)	Actual		2001-2002 ^a	
	1999-2000	2000-2001	Forecast	Actual
Revenue				
Opening Balance	8.6	8.3	8.0	8.0
Receipts and other credits	0.2	0.2	0.2	0.1
Payments and other charges	0.6	0.5	0.5	0.4
Excess of Payments and other charges over income for the year	(0.4)	(0.3)	(0.3)	(0.3)
Balance at end of the year	8.3	8.0	7.7	7.7

a. The forecasts for 2001-2002 were presented in the *2002-2003 Report on Plans and Priorities*.

The annual report and financial statements for the Civil Service Insurance Fund are available in the *2002 Public Accounts of Canada*, Volume 1, Section 6.⁴⁸

⁴⁸ For further information, see <http://www.pwgsc.gc.ca/recgen/text/pub-acc-e.html>

Details on Transfer Payments

Human Resources Development Canada has a substantial number of transfer payment programs. These support individuals, communities, the private and voluntary sectors, labour, other orders of government and Aboriginal organizations in the achievement of shared human development goals.

Consistent with this transfer payments policy, we have developed descriptive material on each program funded from the Consolidated Revenue Fund (CRF), including stated objectives, results and outcomes and milestones for achievement. We have also prepared a table listing the active terms and conditions for transfer payments and a fact sheet for each program involving more than \$5 million.

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

NON-STATUTORY TRANSFER PAYMENTS BY SERVICE LINE (2001-2002 ACTUALS: \$823.4 MILLION (M))

Associated Programs (Terms and Conditions)

**For more details,
see Fact Sheet #**

Human Resources Investment (HRI)

Grants

Grants to individuals, organizations and corporations to assist individuals to improve their employability and to promote employment opportunities by assisting local entrepreneurial development
(Actuals: \$0.4M)

Youth Employment Initiatives

Fact Sheet 1

Grants to voluntary sectors, professional organizations, universities and post-secondary institutions and to provincial and territorial governments for literacy (Actuals: \$24.9M)

National Literacy Program

Fact Sheet 2

Grants to non-profit organizations for activities eligible for support through the Social Development Partnerships Program (Actuals: \$7.4M)

Social Development Partnerships Program

Fact Sheet 3

Associated Programs (Terms and Conditions)

**For more details,
see Fact Sheet #**

Human Resources Investment (HRI)

Contributions

Payments to provinces, territories, municipalities, other public bodies, organizations, groups, communities, employers and individuals for the provision of training and/or work experience, the mobilization of community resources, and human resource planning and adjustment measures necessary for the efficient functioning of the Canadian labour market (Actuals: \$516.4M)

Opportunities Fund for Persons with Disabilities	Fact Sheet 4
Aboriginal Human Resources Development Strategy	Fact Sheet 5
Canada Jobs Fund	Fact Sheet 6
Youth Employment Initiatives	Fact Sheet 1
Social Development Partnerships Program	Fact Sheet 3
Older Workers Pilot Projects	Fact Sheet 7

Employability Assistance for People with Disabilities – Payments to provincial and territorial governments, in accordance with bilateral agreements, for the provision of a range of measures to enhance the economic participation of working age adults with disabilities in the labour market by helping them to prepare for, attain and retain employment (Actuals: \$189.2M)

Canadian-Provincial-Territorial Employability Assistance for People with Disabilities	Fact Sheet 8
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Contributions to organizations, provinces, territories, municipalities, post-secondary institutions and individuals to encourage and support initiatives which will contribute to the development of a more results-oriented, accessible, relevant and accountable learning system (Actuals: \$2.9M)

Contributions to non-profit organizations, community groups, educational institutions, professional associations, provincial/territorial government departments, and local, regional or national First Nations and Inuit non-profit organizations to support child care initiatives (Actuals: \$1.8M)

Social Development Partnerships Program	Fact Sheet 3
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Contributions to organizations, provinces, territories, municipalities, post-secondary institutions and individuals to encourage and support initiatives with respect to the development, application, use and diffusion of new learning and training technologies (Office of Learning Technology) (Actuals: \$2.1M)

Associated Programs (Terms and Conditions)

**For more details,
see Fact Sheet #**

Human Resources Investment (HRI)

Contributions

Homelessness – Contribution to provinces, territories, municipalities, other public bodies, organizations, community groups, employers and individuals to support activities to help alleviation and prevent homelessness across Canada (Actuals: \$73.1M)

Homelessness (Supporting Communities Partnership Initiative); Youth (Homelessness); Urban Aboriginal Strategy (Homelessness)

Fact Sheet 9

Contributions to voluntary sectors, professional organizations, universities and post-secondary institutions and to provincial and territorial governments for literacy (Actuals: \$3.4M)

National Literacy Program

Fact Sheet 2

Labour

Grants

Canadian Joint Fire Prevention Publicity Committee (Actuals: \$0.0M)

Fire Prevention Canada (Actuals: \$0.0M)

To support activities which contribute to Occupational safety and health program objectives (Actuals: \$0.0M)

To support Standards-writing associations (Actuals: \$0.0M)

Contributions

Labour-management partnerships program (Actuals: \$0.7M)

Labour commission (Actuals: \$1.1M)

**FACT SHEET # 1: YOUTH EMPLOYMENT INITIATIVES
(2001-2002 ACTUALS: \$196.5M)**

Objectives To assist youth in preparing for, obtaining and maintaining employment, and in making a successful transition into the labour market, thereby resulting in increased employment.

Results and Outcomes The actual results were: 7,935 youth found work and 1,592 returned to school.*
69,249 youth and students obtained work experience of whom 52,678 were students who participated in Summer Career Placements (SCP). The balance (16,571) were youth who participated in work experience programs such as Youth Internship Canada (YIC), Youth International (YI) and Youth Service Canada (YSC).

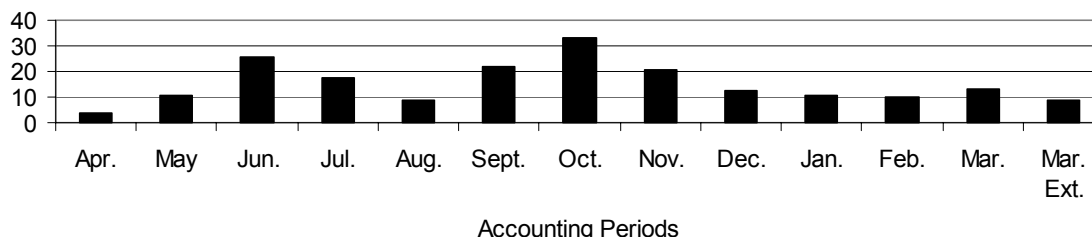
Milestones for Achievement:

- Renewal Date March 31, 2005
- Evaluation Performed
 - 1997: -Summer Career Placements Summative Evaluation
 - 1998-1999: -Youth Service Canada Summative Evaluation
-Youth Employment Strategy; A Formative Evaluation of Youth Internship Canada and Other HRDC Youth Initiatives
-Interdepartmental Evaluation of the Youth Employment Strategy (YES)
 - 2000-2001: -Youth Service Canada Evaluation (Longitudinal Study)
-Summative Evaluation of HRDC's Youth Internship Programs under the Youth Employment Strategy
-YES Interdepartmental Evaluation Phase I
 - 2001-2002: -YES Interdepartmental Evaluation Phase II (Consolidates YES with other federal youth programs)
- Evaluation Scheduled
 - 2002-2003: -Youth Internship Program Evaluation Phases II and III – Final Report
-Youth International and Science and Technology – Final Report
-New Evaluation framework for renewed Youth Employment Strategy

* This result incorporates students who have returned to school following a summer work experience provided through SCP. Based on SCP follow-up assessments, 94% of youth returned to school following an intervention.

MONTHLY CASH DISBURSEMENT

Expenses (Millions of Dollars)



The Government Expenditure Cycle includes 13 accounting periods as illustrated. The last period "Mar. Ext." is an extended period to close out the fiscal year.

**FACT SHEET # 2: NATIONAL LITERACY PROGRAM
(2001-2002 ACTUALS: \$28.3M)**

Objectives

- Provides financial (and technical) assistance for activities designed to achieve one or another of the following overall objectives:
- a) enable increased understanding of literacy issues through promotion and public awareness;
 - b) foster coordination and information-sharing among all literacy-related organizations;
 - c) enhance outreach measures and access activities for community and workplace literacy programming;
 - d) support the development and exchange of learning materials, methods and programs;
 - e) stimulate applied research and development initiatives that address the needs of literacy practice and practitioners;
 - f) encourage innovative developments and solutions in literacy programming through community, labour or private sector demonstration projects;
 - g) develop the capacity of major organizations and institutions involved in literacy to represent and advocate for literacy; and
 - h) provide policy analysis and advice to integrate literacy considerations into related policy, community and institutional life.

Results and Outcomes

A country more aware of the need to focus on literacy.

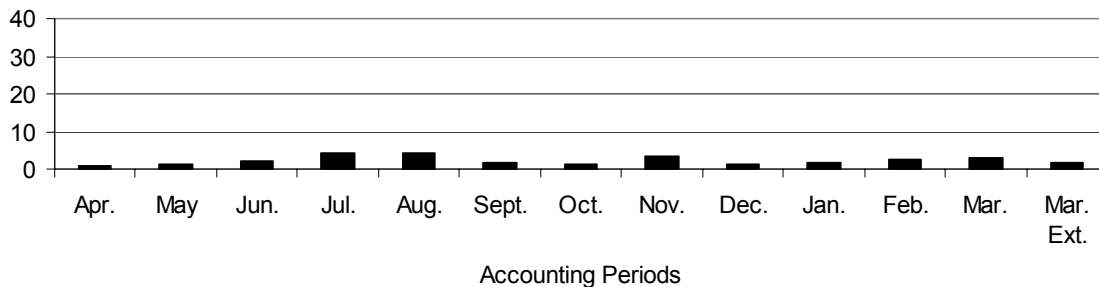
More partners across Canada that include literacy on their agenda.

Milestones for Achievement:

- Renewal Date December 2002
- Evaluation Performed 1995 - Formative Evaluation
- Evaluation Scheduled to be completed 2002-2003

MONTHLY CASH DISBURSEMENT

Expenses (Millions of Dollars)



The Government Expenditure Cycle includes 13 accounting periods as illustrated. The last period "Mar. Ext." is an extended period to close out the fiscal year.

FACT SHEET # 3: SOCIAL DEVELOPMENT PARTNERSHIPS PROGRAM ^a
(2001-2002 ACTUALS: \$25.3M)

Objectives A research and development program that supports activities of the social non-profit sector in line with HRDC's mandate. These activities identify, develop and promote nationally significant best practices and models of service delivery and build community capacity to meet the social development needs and aspirations of populations who are or may be at risk. These objectives will be achieved through a review and accountability framework, in partnership with the voluntary sector.

- Results and Outcomes**
- increased knowledge of key social issues, service models and practices, specific to at-risk populations;
 - increased capacity in the social non-profit sector; and
 - increased opportunity for individuals to participate fully in society.

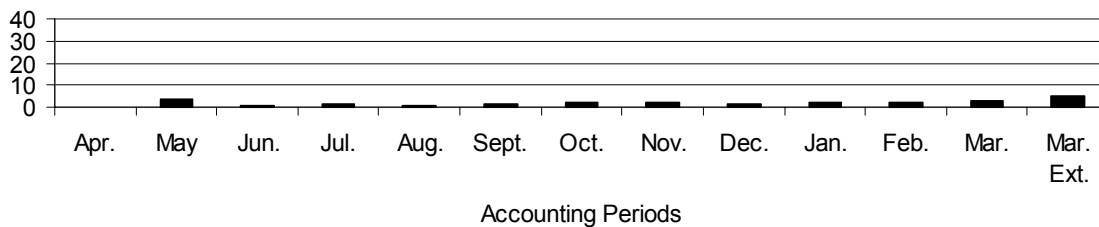
Milestones for Achievement:

- Renewal Date December 2002
- Evaluation Performed Completed (awaiting report on findings)
- Evaluation Scheduled None

a. Includes all programs using Social Development Partnerships Program (SDPP) terms and conditions, these are the Voluntary Sector Initiative, some of Child Care Visions, some of Federal Disability Initiatives and SDPP.

MONTHLY CASH DISBURSEMENT

Expenses (Millions of Dollars)



The Government Expenditure Cycle includes 13 accounting periods as illustrated. The last period "Mar. Ext." is an extended period to close out the fiscal year.

**FACT SHEET # 4: OPPORTUNITIES FUND FOR PERSONS WITH DISABILITIES
(2001-2002 ACTUALS: \$18.6M)**

Objectives To assist persons with disabilities in preparing for, obtaining and keeping employment, or becoming self-employed, thereby increasing their economic participation and independence.

The objective will be achieved by working in partnership with non-government organizations representing persons with disabilities, the private sector and provincial governments in using innovative approaches that demonstrate best practices to promote the economic integration of persons with disabilities.

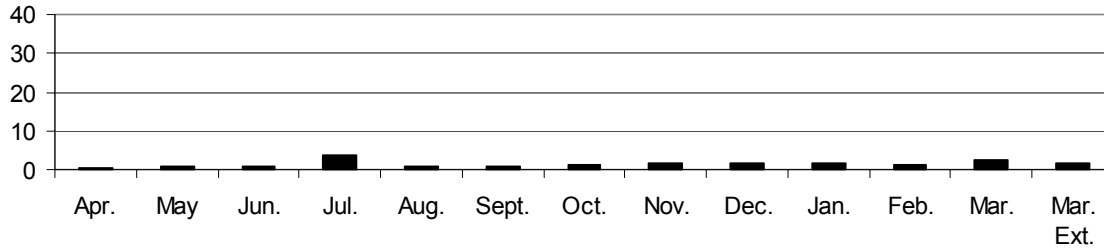
Results and Outcomes Assisted approximately 3,700 clients, 1,837 found work.

Milestones for Achievement:

- Renewal Date March 31, 2004
- Evaluation Performed 1998: - Formative Evaluation Performed
2002: - Summative Evaluation Performed
- Evaluation Scheduled 2004-2005: - Summative Evaluation is scheduled to be performed.

MONTHLY CASH DISBURSEMENT

Expenses (Millions of Dollars)



Accounting Periods

The Government Expenditure Cycle includes 13 accounting periods as illustrated. The last period "Mar. Ext." is an extended period to close out the fiscal year.

**FACT SHEET # 5: ABORIGINAL HUMAN RESOURCES DEVELOPMENT
STRATEGY (AHRDS)
(2001-2002 ACTUALS: \$246.4M)**

Objectives	<p>To support Aboriginal organizations to develop and implement labour market, youth and child care programs that are designed to address the local and regional needs of Aboriginal people.</p> <p>This programming will:</p> <ul style="list-style-type: none"> a) assist Aboriginal individuals to prepare for, obtain and maintain employment, thereby resulting in savings to income support programs; b) assist Aboriginal youth (a person normally from 15 to 30 years of age) in preparing for, obtaining and maintaining employment and in making a successful transition into the labour market, thereby resulting in increased employment; and c) increase the supply of quality child care services in First Nations and Inuit communities, thereby raising the availability of distinct and diverse services in these communities to a level comparable to that of the general population.
Results and Outcomes*	Assisted 50,036 Aboriginal clients, of whom 18,732 became employed or self-employed.

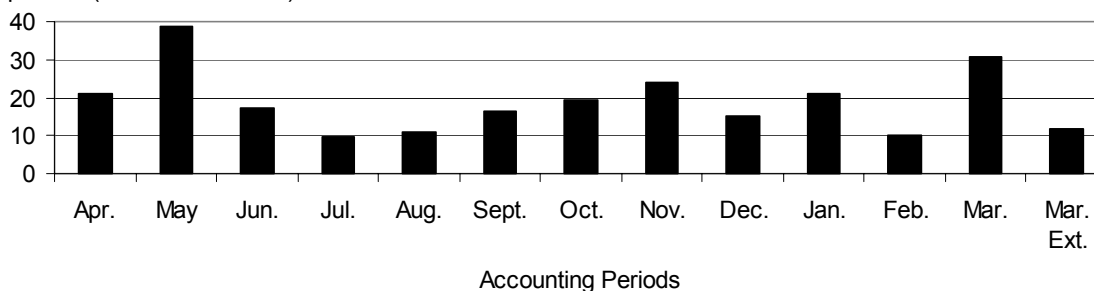
Milestones for Achievement:

→ Renewal Date	March 31, 2004
→ Evaluation Performed	None to date
→ Evaluation Scheduled	2002-2003 – Report on the effectiveness of the entire strategy.

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

MONTHLY CASH DISBURSEMENT

Expenses (Millions of Dollars)



The Government Expenditure Cycle includes 13 accounting periods as illustrated. The last period "Mar. Ext." is an extended period to close out the fiscal year.

**FACT SHEET # 6: CANADA JOBS FUND (CJF)
(2001-2002 ACTUALS: \$24.0M)**

Objectives To create long term sustainable jobs for individuals in high unemployment areas and to strengthen the capacity of communities to become self-reliant.

The objective will be achieved by working in collaboration with partners such as the provinces/territories, regional economic development agencies, other federal government departments, community partners and the private sector in a manner that respects local and regional priorities.

Results and Outcomes On June 22, 2000, the Minister announced that CJF was being closed down, with associated funding redirected to the federal government's regional economic development agencies.

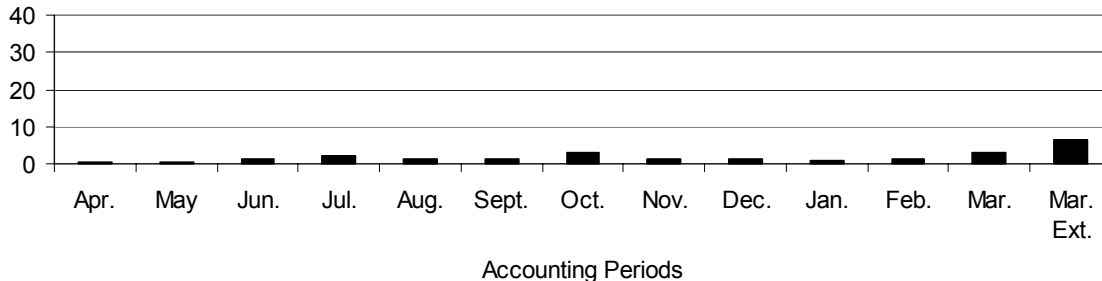
In 2001-2002, no project proposals were approved, however, active agreements carried-over from the previous year continued to be monitored and all existing financial commitments were met. All CJF agreements ended by March 31, 2002.

Milestones for Achievement:

- Renewal Date Not applicable
- Evaluation Performed Not applicable
- Evaluation Scheduled Not applicable

MONTHLY CASH DISBURSEMENT

Expenses (Millions of Dollars)



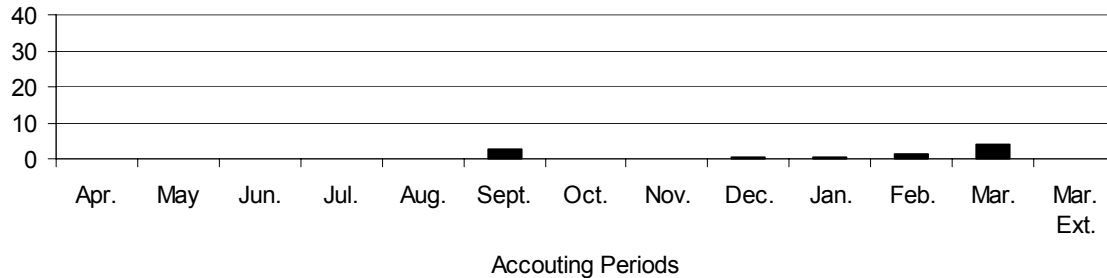
The Government Expenditure Cycle includes 13 accounting periods as illustrated. The last period "Mar. Ext." is an extended period to close out the fiscal year.

FACT SHEET # 7: OLDER WORKERS PILOT PROJECTS
(2001-2002 ACTUALS: \$9.7M)

Objectives	<p>To support innovative pilot projects designed to re-integrate displaced older workers into sustainable employment, or maintain in employment older workers threatened with displacement.</p> <p>This objective supports HRDC's human resources investment priorities aimed at helping clientele with particular labour market needs and issues, broadening partnerships to enhance and integrate programming and focusing on prevention.</p>
Results and Outcomes	<p>These projects will provide both levels of government with a better understanding of what works for this particular client group and how HRDC might wish to proceed cooperatively in advancing eventual policies and programs for older workers.</p>
Milestones for Achievement:	
→ Renewal Date	Not applicable
→ Evaluation performed	March 31, 2004 for final evaluation from provinces and territories and September 30, 2004 for final evaluation to be conducted by HRDC Evaluation and Data Development.
→ Evaluation scheduled	All are scheduled.

MONTHLY CASH DISBURSEMENT

Expenses (Millions of Dollars)



The Government Expenditure Cycle includes 13 accounting periods as illustrated. The last period "Mar. Ext." is an extended period to close out the fiscal year.

**FACT SHEET # 8: CANADIAN-PROVINCIAL-TERRITORIAL
EMPLOYABILITY ASSISTANCE FOR PEOPLE WITH
DISABILITIES (EAPD)
(2001-2002 ACTUALS: \$189.2M)**

Objectives To provide funding to provinces and territories for a range of measures to enhance the economic participation of working age adults with disabilities in the labour market by helping them prepare for, attain and retain employment.

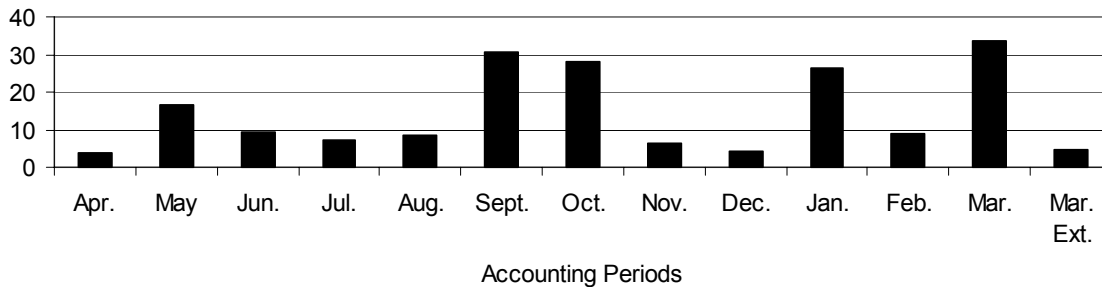
Results and Outcomes The key outcome commitment is to help people with disabilities prepare for, attain and retain employment. EAPD emphasizes accountability and the federal/provincial governments jointly developed the results indicators. The first national report on EAPD was released in May 2002 covering fiscal years 1999-2000 and 2000-2001. The report provided a description of the programs and services, federal/provincial expenditures and limited results indicators. Provinces' data collection systems are not yet adequately developed in order to have a complete picture of the numbers of Canadians benefiting from EAPD. Provinces are committed to working towards more complete data collection.

Milestones for Achievement:

- Renewal Date EAPD Agreements expire April 1, 2003
- Evaluation Performed Nine promising practices were carried out across the country on EAPD programs and services. The results for 2001-2002 will be available summer 2002.
- Evaluation Scheduled None

MONTHLY CASH DISBURSEMENT

Expenses (Millions of Dollars)



The Government Expenditure Cycle includes 13 accounting periods as illustrated. The last period "Mar. Ext." is an extended period to close out the fiscal year.

FACT SHEET # 9: HOMELESSNESS (SUPPORTING COMMUNITIES PARTNERSHIP INITIATIVE); YOUTH (HOMELESSNESS); URBAN ABORIGINAL STRATEGY (HOMELESSNESS) (2001-2002 ACTUALS: \$73.1M)

Objectives

The SCPI has five specific objectives:

- a) to lessen the hardship of people who are homeless by increasing services, for example by providing additional shelter space or more alternative housing for longer-term shelter residents;
- b) to promote a coordinated series of programs and initiatives aimed at reducing homelessness;
- c) to strengthen the capacity of communities by bringing local service providers together to develop plans that address individual needs in a seamless and coordinated fashion;
- d) to promote broad-based partnerships among all stakeholders (private, non-profit, volunteer and labour organizations, the general public and all levels of government) to address homelessness at a community level; and
- e) to develop a base of information and knowledge about homelessness, and share it among all concerned parties and with the general public.

Results and Outcomes

- enhanced partnerships and networks to increase local capacity to deal with homelessness;
- strengthened collaboration among sectors at the local level;
- resources leveraged from provincial/territorial and municipal governments and the voluntary and private sectors;
- investments made by communities to improve services and facilities to alleviate the hardship of homeless people; and
- increased data on the homeless population and homelessness issues.

Milestones for Achievement:

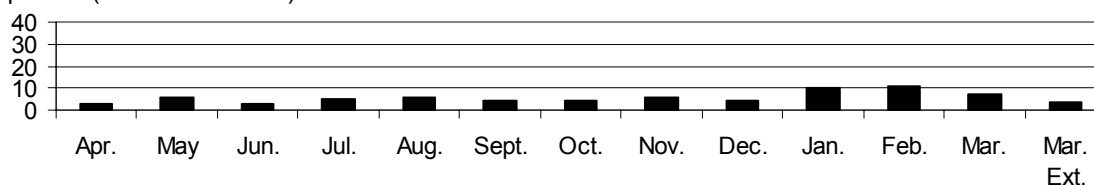
→ Renewal Date Project activities through the National Homelessness Initiative (NHI) are set to end in September 2003. Discussions with our stakeholders will assess the future role of the federal government in addressing homelessness.

→ Evaluation Performed Implementation Audit (Fiscal Year 2000-2001)
Formative Evaluation (community and project case studies for SCPI, UAS and Youth-Homelessness) – completed in July 2002

→ Evaluation Scheduled Consolidated NHI Evaluation Report by March 2003
Community Plan Evaluations by December 2003
Compliance Audit (Fiscal Year 2002-2003)

MONTHLY CASH DISBURSEMENT

Expenses (Millions of Dollars)



Accounting Periods

The Government Expenditure Cycle includes 13 accounting periods as illustrated. The last period "Mar. Ext." is an extended period to close out the fiscal year.

Canada Student Loans Program

In August 2000, the Canada Student Loans Program (CSLP) was shifted from the risk-shared financing arrangements that had been in place with financial institutions between 1995 and July 2000 to a direct student loan financing plan.⁴⁹

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

It also meant that we had to use interim arrangements in order to ensure uninterrupted delivery of federal student financial assistance until the Direct Loans program could be fully implemented.

Reporting Entity

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

Basis of Accounting

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

Specific Accounting Policies

Revenues

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

⁴⁹ For further information on the Canada Student Loans Program, see http://www.hrdc-drhc.gc.ca/student_loans/

- Interest Earned on Direct Loans – Student borrowers are required to pay simple interest on their student loans once they leave full-time studies. At the time they leave school, students have the option of selecting a variable (prime + 2.5%) or fixed (prime + 5%) interest rate. The amounts in the figures represent the interest accrued on the outstanding balance of the Government-owned Direct Loans. Borrowers continue to pay the interest accruing on the guaranteed and risk-shared loans directly to the private lender holding these loans.
- Recoveries on Guaranteed Loans – The Government reimburses the private lenders for any loans issued prior to August 1, 1995 that go into default (i.e., lenders claim any amount of principal and interest not repaid in full). The amounts in the figures represent the recovery of principal and interest on these defaulted loans.
- Recoveries on Put Back Loans – The Government reimburses the Participating Financial Institutions for any loans issued between August 1, 1995 to July 31, 2000 under the risk shared agreement that are in default of payment for at least twelve months after the Period of Study. A Participating Financial Institution receives an amount equal to 5% of the outstanding principal and accrued interest to a maximum of 12 months of accumulated interest. The amounts in the figures represent the recovery of principal and interest, less any refund made to the participating financial institutions.

Canada Study Grants

Canada Study Grants improve access to post-secondary education. Four grant programs assist: (1) students with permanent disabilities in order to meet disability-related educational expenses (up to \$5,000 annually); (2) students with dependents (up to \$3,120 annually); (3) high-need part-time students with educational expenses (up to \$1,200 annually); and (4) women in certain fields of Ph.D. studies (up to \$3,000 annually for up to three years).

Interest Borrowing Expense

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

Collection Costs

These amounts represent the cost of using private collection agencies to collect defaulted Canada Student Loans. The loans being collected include: risk shared and guaranteed loans that have gone into default and for which the Government has reimbursed the private lender; and Direct Loans issued after July 31, 2000, that are returned to HRDC by the third party service provider as having defaulted. In accordance with HRDC accounting practices, collection costs are charged to a central departmental account and do not appear among the other CSLP expenditures.

Interim Arrangements

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

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

Service Bureau Costs

As of March 1, 2001, CSLP uses third party service providers to administer Direct Loans disbursement, in-study loan management and post-studies repayment activities. This item represents the cost associated with these contracted services.

Risk Premium

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

Put Back

Subject to the provisions of the contracts with lending institutions, the Government will purchase from a lender the student loans that are in default of payment for at least twelve months and that, in aggregate, do not exceed 3% of the average monthly balance of the lender's outstanding student loans in repayments. The amount paid is set at 5% of the value of the loans in question.

Administrative Fees to Provinces and Territories

Pursuant to the *Canada Student Financial Assistance Act (CSFA Act)*, the Government has entered into arrangements with participating provinces and Yukon to facilitate the administration of the CSLP. They administer the application and needs assessment activities associated with federal student assistance and in return they are paid an administrative fee.

In-Study Interest Subsidy

A central feature of federal student assistance is that student borrowers are not required to pay the interest on their student loans as long as they are in study and, in the case of loans negotiated prior to August 1, 1993, for six months after the completion of studies. Under the guaranteed and risk-shared programs, the Government paid the interest to the lending institutions on behalf of the student. Under Direct Loans, the Government forgoes any interest on the loans while the student remains in studies. Because of this change in practice, no interest subsidy item for Direct Loans appears in the financial figures.

Interest Relief

Assistance may be provided to cover loan interest for borrowers who have difficulty repaying their loans. The shift from Guaranteed and Risk-Shared Loans to Direct Loans did not alter interest relief for loans in distress from the borrower's perspective; however, the method of recording associated costs changed. For loans issued prior to August 1, 2000, CSLP compensates lending institutions for lost interest equal to the accrued interest amount on loans under interest relief. For loans issued after August 1, 2000, the loans of borrowers will not accrue interest.

Debt Reduction in Repayment

Debt Reduction in Repayment (DRR) assists borrowers in severe financial hardship. DRR is a federal repayment assistance program through which the Government of Canada reduces a qualifying student's outstanding Canada Student Loans principal to an affordable amount after all other interest relief measures are exhausted. For loans issued prior to August 1, 2000, CSLP pays the lending institutions the amount of student debt principal reduced by the Government of Canada under DRR. Prior to the 2000-2001 fiscal year, expenditures and forecasts related to debt reduction and repayment have been included with interest relief. For loans issued after August 1, 2000, the Government of Canada forgives a portion of the loan principal.

Claims Paid and Loans Forgiven

From the beginning of the program in 1964 up to July 31, 1995, the Government fully guaranteed all loans issued to students by private lenders. The Government reimburses private lenders for any of these loans that go into default (i.e., lenders claim any amount of principal and interest not repaid in full, after which HRDC will attempt to recover these amounts). The risk-shared arrangements also permitted loans issued from

August 1, 1995 to July 31, 2000 to be guaranteed under specific circumstances. This item represents the costs associated with loan guarantee.

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

Bad Debt Expense

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

Alternative Payments to Non-participating Provinces

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

Commitments

As at March 31, 2002 the Department had the following commitments for Service Provider contracts: \$170.8 million.

FIGURE 1 : CONSOLIDATED CANADA STUDENT LOANS PROGRAM – COMBINED PROGRAMS

(millions of dollars)	Actual		2001-2002	
	1999-2000	2000-2001	Forecast ^a	Preliminary
Revenues				
Interest earned on Direct Loans	N/A	0.3	5.7	44.2
Recoveries on Guaranteed Loans	153.8	123.4	115.0	123.7
Recoveries on Put Back Loans	0.7	2.3	5.0	4.2
Total Revenues	154.5	126.0	125.7	172.1
Expenses				
<i>Transfer Payments</i>				
Canada Study Grants	103.0	56.6	78.0	69.7
Total Transfer Payments	103.0	56.6	78.0	69.7
<i>Loan Administration</i>				
Interest Borrowing Expense ^b	N/A	0.2	149.2	118.4
Collection Costs	19.3	16.8	14.2	14.3
Interim Arrangements				
- Interest Costs to Financial Institutions	N/A	41.5	13.0	13.7
- Transition Fees to Financial Institutions	N/A	25.9	0.0	0.3
Service Bureau Costs	N/A	1.3	36.1	27.9
Risk Premium	81.8	88.1	57.6	51.0
Put Back	1.6	2.1	1.8	2.7
Administrative Fees to Provinces and Territories	9.1	9.6	14.9	9.0
Total Loan Administration Expenses	111.7	185.5	286.8	237.3
<i>Cost of Government Support</i>				
<i>Benefits Provided to Students</i>				
In-Study Interest Subsidy	204.0	180.5	94.5	77.8
Interest Relief	82.6	107.4	104.3	85.6
Debt Reduction in Repayment	0.6	2.0	34.0	4.2
Claim Payments & Loans Forgiven	80.0	72.2	64.6	76.0
Bad Debt Expense ^{b&c}	N/A	206.7	200.6	291.8
Total Cost of Government Support Expenses	367.2	568.8	498.0	535.4
Total Expenses	581.9	810.9	862.8	842.4
Net Operating Results	427.4	684.9	737.1	670.3
Payment to Non-Participating Provinces	126.1	138.9	195.6	144.9
Final Operating Results	553.4	823.8	932.7	815.2

N/A – not applicable

a. Forecast for 2001-2002 were reported in the 2002-2003 Report on Plans and Priorities.

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

c. This represents the annual expense against the Provisions for Bad Debt, Debt Reduction in Repayment and Interest Relief as required under Accrual Accounting.

FIGURE 2 : CONSOLIDATED CANADA STUDENT LOANS PROGRAM – RISK SHARED AND GUARANTEED LOANS ONLY

(millions of dollars)	Actual		2001-2002	
	1999-2000	2000-2001	Forecast ^a	Preliminary
Revenues				
Recoveries on Guaranteed Loans	153.8	123.4	115.0	123.7
Recoveries on Put Back Loans	0.7	2.3	5.0	4.2
Total Revenues	154.5	125.7	120.0	127.9
Expenses				
<i>Transfer Payments</i>				
Canada Study Grants	103.0	N/A	N/A	N/A
Total Transfer Payments	103.0	N/A	N/A	N/A
<i>Loan Administration</i>				
Collection Costs	19.3	16.8	14.2	14.3
Risk Premium	81.8	88.1	57.6	51.0
Put Back	1.6	2.1	1.8	2.7
Administrative Fees to Provinces and Territories	9.1	9.6	0.0	0.0
Total Loan Administration Expenses	111.7	116.6	73.6	68.0
<i>Cost of Government Support</i>				
<i>Benefits Provided to Students</i>				
In-Study Interest Subsidy	204.0	180.5	94.5	77.8
Interest Relief	82.6	107.4	101.3	85.6
Debt Reduction in Repayment	0.6	2.0	34.0	4.2
Claim Payments & Loans Forgiven	80.0	72.2	64.6	76.0
Total Cost of Government Support Expenses	367.2	362.1	294.4	243.6
Total Expenses	581.9	478.7	368.0	311.6
Net Statutory Operating Results	427.4	353.0	248.0	183.7
Payment to Non-Participating Provinces	126.1	138.9	110.7	110.0
Final Statutory Operating Results	553.4	491.9	358.7	293.7

N/A – not applicable

a. Forecast for 2001-2002 were reported in the 2002-2003 Report on Plans and Priorities.

FIGURE 3 : CONSOLIDATED CANADA STUDENT LOANS PROGRAM – DIRECT LOANS ONLY

(millions of dollars)	Actual		2001-2002	
	1999-2000	2000-2001	Forecast ^a	Preliminary
Revenues				
Interest earned on Direct Loans	N/A	0.3	5.7	44.2
Total Revenues	N/A	0.3	5.7	44.2
Expenses				
<i>Transfer Payments</i>				
Canada Study Grants	N/A	56.6	78.0	69.7
Total Transfer Payments	N/A	56.6	78.0	69.7
<i>Loan Administration</i>				
Interest Borrowing Expense ^b	N/A	0.2	149.2	118.4
Collection Costs	N/A	0.0	0.0	0.0
<i>Interim Arrangements</i>				
- Interest Costs to Financial Institutions	N/A	41.5	13.0	13.7
- Transition Fees to Financial Institutions	N/A	25.9	0.0	0.3
Service Bureau Costs	N/A	1.3	36.1	27.9
Administrative Fees to Provinces and Territories	N/A	0.0	14.9	9.0
Total Loan Administration Expenses	N/A	68.9	213.2	169.3
<i>Cost of Government Support</i>				
<i>Benefits Provided to Students</i>				
Interest Relief	N/A	0.0	3.0	0.0
Bad Debt Expense ^{b&c}	N/A	206.7	200.6	291.8
Total Cost of Government Support Expenses	N/A	206.7	203.6	291.8
Total Expenses	N/A	332.2	494.8	530.8
Net Operating Results	N/A	331.9	489.1	486.6
Payment to Non-Participating Provinces	N/A	0.0	84.9	34.9
Final Operating Results	N/A	331.9	574.0	521.5

N/A – not applicable

- Forecast for 2001-2002 were reported in the *2002-2003 Report on Plans and Priorities*.
- These costs are related to Canada Student Direct Loans, but reported by Department of Finance.
- This represents the annual expense against the Provisions for Bad Debt, Debt Reduction in Repayment and Interest Relief as required under Accrual Accounting.

Old Age Security

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

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

FIGURE 1: SUMMARY OF MAXIMUM MONTHLY BENEFITS

(dollars)	Basic	Income Supplement		Allowance		
Fiscal Year	Pension	Single	Married	Regular	Extended	Increase
Monthly benefit by fiscal year						
2001-2002 Actuals						
January 1, 2002	442.66	526.08	342.67	785.33	867.02	0.0%
October 1, 2001	442.66	526.08	342.67	785.33	867.02	1.4%
July 1, 2001	436.55	518.82	337.94	774.49	855.05	0.7%
April 1, 2001	433.52	515.21	335.59	769.11	849.11	0.5%
2001-2002 Estimates						
January 1, 2002	440.04	522.97	340.64	780.68	861.89	0.6%
October 1, 2001	437.42	519.85	338.61	776.03	856.75	0.3%
July 1, 2001	436.11	518.30	337.60	773.71	854.19	0.3%
April 1, 2001	434.81	516.75	336.59	771.40	851.64	0.8%
2000-2001 Actuals						
January 1, 2001	431.36	512.65	333.92	765.28	844.88	0.6%
October 1, 2000	428.79	509.59	331.93	760.72	839.84	0.9%
July 1, 2000	424.12	504.05	328.32	752.44	830.70	0.6%
April 1, 2000	420.31	499.55	325.39	745.73	823.29	0.1%
Fiscal year average						
(annual benefits)						
2001-2002 Actuals	5,266.16	6,258.57	4,076.61	9,342.78	10,314.60	2.9% ^a
2001-2002 Estimates	5,245.14	6,233.61	4,060.32	9,305.46	10,273.41	
2000-2001 Actuals	5,113.74	6,077.52	3,958.68	9,072.51	10,016.13	

a. Annual increase between 2000-2001 Actuals and 2001-2002 Actuals.

**FIGURE 2: NUMBER OF PERSONS RECEIVING OLD AGE SECURITY BENEFITS,
BY PROVINCE OR TERRITORY AND BY TYPE**

Province or Territory	March 2001				March 2002			
	Old Age Security (OAS)	Guaranteed Income Supplement (GIS)	GIS as % of OAS	GIS as % of OAS	Old Age Security (OAS)	Guaranteed Income Supplement (GIS)	GIS as % of OAS	GIS as % of OAS
	Pension	Allowance			Pension	Allowance		
Newfoundland	63,480	42,577	4,399	67.07%	64,501	42,864	4,264	66.45%
Prince Edward Island	18,102	9,386	682	51.85%	18,362	9,262	651	50.44%
Nova Scotia	124,853	56,911	4,492	45.58%	126,105	56,459	4,400	44.77%
New Brunswick	98,348	50,818	4,198	51.67%	99,357	50,864	4,260	51.19%
Quebec	944,494	446,811	32,723	47.31%	960,724	450,930	31,737	46.94%
Ontario	1,417,264	378,640	24,205	26.72%	1,445,359	384,928	24,174	26.63%
Manitoba	154,740	58,404	3,762	37.74%	155,128	58,013	3,692	37.40%
Saskatchewan	145,997	58,309	3,728	39.94%	145,957	57,486	3,600	39.39%
Alberta	296,732	104,418	7,648	35.19%	304,676	105,257	7,230	34.55%
British Columbia	498,045	153,053	9,241	30.73%	507,307	155,605	9,203	30.67%
Yukon	1,700	601	43	35.35%	1,766	605	45	34.26%
Northwest Territories ^a	2,319	1,477	162	63.69%	2,398	1,500	145	62.55%
International ^b	62,387	9,760	123	15.64%	67,390	9,630	113	14.29%
Total	3,828,461	1,371,165	95,406	35.82%	3,899,030	1,383,403	93,514	35.48%

a. Data for Nunavut are included.

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

**FIGURE 3: OLD AGE SECURITY PAYMENTS, BY PROVINCE OR TERRITORY AND BY TYPE,
FISCAL YEAR 2001-2002**

(millions of dollars)	Old Age Security Pension	Guaranteed Income Supplement	Allowance	Total
Newfoundland	338.9	157.1	20.7	516.7
Prince Edward Island	96.1	34.0	2.9	133.0
Nova Scotia	661.2	195.2	17.6	874.0
New Brunswick	521.7	178.9	19.0	719.6
Quebec	5,003.3	1,634.0	124.6	6,761.9
Ontario	7,340.2	1,504.3	101.3	8,945.8
Manitoba	807.3	208.9	16.0	1,032.2
Saskatchewan	769.8	203.2	16.7	989.7
Alberta	1,550.6	395.2	32.1	1,977.9
British Columbia	2,558.0	612.8	38.8	3,209.6
Yukon	9.1	2.2	0.2	11.5
Northwest Territories ^a	12.4	6.6	1.1	20.1
International ^b	87.6	84.4	1.3	173.3
Total	19,756.2	5,216.8	392.3	25,365.3

a. Data for Nunavut are included.

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

Other Statutory Annual Reports

Noted below are other statutory annual reports that are consolidated in other segments of this report and/or in the Public Accounts of Canada.

Parts I and III of the *Canada Labour Code*

These are reported under the Strategic Outcome of “Safe, fair, stable and productive workplaces”.

Civil Service Insurance Act

The complete annual report is included in the *2002 Public Accounts of Canada*, Volume 1, Section 6.⁵⁰ It is also reported on in the Specified Purpose Accounts section of this report.

Government Annuities Act

The complete annual report is included in the *2002 Public Accounts of Canada*, Volume 1, Section 6.⁵⁰ It is also reported on in the Specified Purpose Accounts section of this report.

⁵⁰ For further information, see <http://www.pwgsc.gc.ca/recgen/text/pubacc-e.html>

Social Union Framework Agreement

The “social union” initiative is the umbrella under which governments concentrate their efforts to renew and modernize Canadian social policy. Canada’s social union is strengthened by enhancing the government’s transparency and accountability to its constituents. The accountability provisions of the Social Union Framework Agreement (SUFA) commit federal, provincial and territorial governments to increase this transparency and accountability.

HRDC is one of the pilot departments working with the Treasury Board Secretariat (TBS) to document the federal government’s involvement in SUFA initiatives. We have produced SUFA accountability templates for 27 of our programs. These templates appear on the TBS Social Union website.⁵¹

As part of the SUFA, governments have been working towards removing barriers to mobility by making it easier for workers’ qualifications to be more readily recognized across Canada. In addition, HRDC has led the Government of Canada’s annual reviews for any residency-based barriers to mobility in federal social policies and programming, and is continuing to work to ensure that mobility barriers do not emerge in HRDC’s policies and programs.⁵¹

As committed to in the Agreement, governments are in the process of reviewing the SUFA and its implementation.

⁵¹ For further information, see http://www.tbs-sct.gc.ca/rma/account/sufa-ecus/all_toutes_e.asp

Materiel Management

Procurement, Contracting and Asset Management

POINTS TO ADDRESS	HRDC INPUT
<p>Strengthen Materiel Management and ensure greater balance between public accountability and program delivery</p>	<ul style="list-style-type: none"> • Implemented a National Steering Committee with 14 working groups (regional and headquarters) to renew the Materiel Management function on a department-wide basis and align HRDC Materiel Management to the Procurement Reform initiative led by Treasury Board Secretariat (TBS). • Created a management oversight committee (Procurement Review Committee) to ensure greater compliance to Procurement and Contracting (P&C) rules and regulations. • Created a Materiel Management Mandate document and Business Plan to provide strategic direction for Materiel Management personnel and ensure alignment to corporate priorities.
<p>Enhance value added function of Materiel Management to ensure cost effective and timely delivery of services and provide client focused organization</p>	<ul style="list-style-type: none"> • Designed, developed and implemented supply arrangements to ensure a streamlined procurement and contracting function that will better meet the needs of our clients while ensuring compliance to the legal framework of P&C function. • Developed a comprehensive publishing program in support of information dissemination to various public, private sector organizations and to the general public. This included the elaboration of specifications for the establishment of a supply chain services contract to support the related activities and to better meet the needs of clients. • Designed and developed a front end planning capacity to enhance on-time delivery of services to P&C clients, provide greater cost savings opportunities through economies of scale in purchases and ensure greater compliance to rules and regulations. • Reorganized P&C personnel by client portfolio to enhance customer service and provide greater scrutiny of requirements.
<p>Recruitment, retention and learning of Materiel Management personnel</p>	<ul style="list-style-type: none"> • Created a partnership with TBS and other government departments to design, develop and implement a professional development program for HRDC Materiel Management personnel; identified, adopted and validated competency profiles for HRDC Materiel Management Community that reflect the TBS Professional Development Program; designed and developed a Framework for Integrated Human Resources Planning (retention and succession) and Professional Development Program for the HRDC Materiel Management Community.

Materiel Management

Procurement, Contracting and Asset Management (continued)

POINTS TO ADDRESS	HRDC INPUT
<p>Role played by procurement and contracting in advancing the federal government agenda</p>	<ul style="list-style-type: none"> • Created inter- and intra- departmental partnerships with key stakeholders to advance the agenda of the federal government including government-specific mandates (Public Works and Government Services Canada (PWGSC), Indian and Northern Affairs Canada (INAC), TBS, Internal Audit). • Exceeded our targets for aboriginal procurements on a consistent basis. Worked in partnership with INAC to develop a supply arrangement specifically to address aboriginal set-asides. • Worked in partnership with TBS to advance the Professional Development Program and other Procurement Reform Initiatives. Created various service level agreements with key departmental clients and created memorandums of understanding with PWGSC to support the Government On-line supply arrangement and other such initiatives.

Sustainable Development Strategy

In 2001-2002, we continued to work towards objectives in our second Sustainable Development Strategy II (SDS-II) which was tabled in Parliament in February 2001. HRDC's sustainable development commitments are currently focused on four key goals:

- Strengthen HRDC's capacity to move forward on a path to sustainable development;
- Green HRDC's internal operations;
- Participate with other departments to gain a better understanding of the social policy dimensions of sustainable development and their policy implications, and to build a knowledge base in various sustainable development-related issues of interest to HRDC; and
- Build sustainable development into HRDC's corporate culture.

During 2001-2002, we completed the development of Sustainable Development Online (SD Online), which is an intranet site that provides an on-line environmental training course, sustainable development links, an environmental laws database and the Environmental Action Plan Online. HRDC made notable progress towards greening internal operations. A pilot study to assess the feasibility of tracking overnight stays in Green Leaf Hotels was conducted and a Green Vehicle Maintenance Checklist was drafted. In addition, we continued to lead the interdepartmental Social and Cultural Sustainable Development Working Group as well as work on collaborative activities and discuss the social implications of sustainable development.

Only those SDS targets relevant to the April 1, 2001 to March 31, 2002 reporting period are contained below.

Sustainable Development Strategy (continued)

GOAL: GREEN HRDC'S INTERNAL OPERATIONS

Performance Measurement and Activities	Progress to Date and Corrective Action
Green Procurement	<ul style="list-style-type: none"> • \$2.95 million of the total products and services purchased by HRDC in 2001-2002 were identified as green.¹ • The national target is to increase the amount of green procurement by 7% by March 31, 2003. • \$4.35 million of products and services were purchased from Aboriginal businesses during the 2001 calendar year, exceeding the target of \$2.5 million by December 31, 2001.² • A pilot study to assess the feasibility of tracking the number of overnight stays in Green Leaf hotels was conducted.
Waste Management	<ul style="list-style-type: none"> • Reduced the amount of waste sent to landfill for disposal by 45% over 1988 baseline figures in all regions. The 2001-2002 target was a 50% reduction. • 62% of HRDC personnel currently have access to source reduction and materials reuse programs, exceeding the target of 25% of personnel by March 31, 2002.
Water and Energy Conservation	<ul style="list-style-type: none"> • Water and energy conservation awareness is included in HRDC's Sustainable Development Online, a web-based tool for raising awareness of environmental issues. • Awareness material is also readily available to all employees through Environmental Action Plan Online. • The national target of providing 10% of employees with water and energy conservation awareness was achieved.
Fleet Management	<ul style="list-style-type: none"> • Evaluated all new vehicle purchases in NHQ to determine feasibility of the use of alternative fuels. • 6 mono-fuel vehicles were purchased. • Developed a green vehicle checklist to ensure that fleet vehicle users are maintaining vehicles in an environmentally sound manner. • Evaluated 46% of vehicles to determine the feasibility of converting to alternative fuels, exceeding the target of 25% by March 31, 2002.

¹ The overall procurement budget was reduced by 13% (\$45 million) from the previous calendar year. Even with this reduction in the budget, the Department purchased approximately the same amount of green procurement.

² An amendment was made to this target, in that a dollar value is calculated rather than a percentage and will now be reported on a calendar year basis. The amended target for December 31, 2001 is \$2.5 million.

Sustainable Development Strategy (continued)

GOAL: GREEN HRDC'S INTERNAL OPERATIONS (continued)

Performance Measurement and Activities	Progress to Date and Corrective Action
Sustainable Development Online (SD Online)	<ul style="list-style-type: none"> SD Online, an online training and awareness tool that also incorporates the Environmental Action Plan, was developed.
Participation rates among staff in innovative "future of workplace" approaches	<ul style="list-style-type: none"> Approximately 30% of all employees are working either part-time, variable hours or on telework arrangements.
Increased environmental benefits in service delivery	<ul style="list-style-type: none"> 84% of Old Age Security, 80% of Canada Pension Plan and 58% of Employment Insurance (EI) payments were direct deposit. More than 70% of EI claims were processed electronically. A new system, Appli-Web, was developed, allowing the possibility of applying for EI benefits through the Internet. Youth employment initiatives 800 line received 40,373 calls and the on-line Youth Resource Network of Canada received 285,570 visits.³ We displayed 439,993 jobs electronically on our National Job Bank. There were 51,392,610 visits to the National Job Bank among which 15,492,337 unique visitors. The Electronic Labour Exchange has approximately 630,114 work seeker user sessions. There are ongoing applications of the <i>Canadian Environmental Assessment Act</i> where all funding decisions must consider environmental impacts before a decision is made to fund a project.
Levels of compliance with Part II of <i>Canada Labour Code</i>	<ul style="list-style-type: none"> We resolved 98% of non-compliance situations (excluding situations of danger) voluntarily.

³ Note that the period from mid August 2001 to the end of February 2002 is missing due to the site being under construction.

Sustainable Development Strategy (continued)

GOAL: PARTICIPATE WITH OTHER DEPARTMENTS TO GAIN A BETTER UNDERSTANDING OF THE SOCIAL POLICY DIMENSIONS OF SUSTAINABLE DEVELOPMENT (SD) AND THEIR POLICY IMPLICATIONS, AND TO BUILD A KNOWLEDGE BASE IN VARIOUS SD-RELATED ISSUES OF INTEREST TO HRDC

Performance Measurement and Activities	Progress to Date and Corrective Action
Social and Cultural Dimensions of Sustainable Development	<ul style="list-style-type: none"> The Social and Cultural Sustainable Development Working Group (SCSD) further explored aspects of the social and cultural dimensions of SD and their policy implications through: 7 interdepartmental meetings, development of a potential workplan to identify departmental areas of common interest and discussions with and presentations by governmental and non-governmental representatives, etc.
Sustainable Communities	<ul style="list-style-type: none"> Participated with interested departments in collaborative activities to promote and support a more coordinated federal approach to fostering sustainable communities. This has included input to various documentation being prepared for the World Summit on Sustainable Development.
SD and Healthy Canadians	<ul style="list-style-type: none"> In collaboration with Health Canada and other interested departments, explored the idea of a broad sustainable development partnership (including a component on healthy workplaces) with one or more organizations external to the federal government.
Knowledge and Information for SD and the Northern Sustainable Development Strategy	<ul style="list-style-type: none"> Provided social policy perspectives to inter-departmental working group established to guide development of SD indicators and reporting system. Supported Indian and Northern Affairs (INAC) in the development of progress towards Sustainable Development in the North.
Explore the labour market and social adjustment issues related to climate change/global warming	<ul style="list-style-type: none"> Study based on alternative scenarios being undertaken to analyse potential labour market and socio-economic adjustment issues associated with the Kyoto Protocol. Preliminary draft to be completed by Fall 2002.

Sustainable Development Strategy (continued)

GOAL: BUILD SUSTAINABLE DEVELOPMENT INTO HRDC'S CORPORATE CULTURE

Performance Measurement and Activities	Progress to Date and Corrective Action
Success stories and awareness	<ul style="list-style-type: none"> • SD Online, will provide employees with an online training course. • Initiated a national green representative network. 33% of sites have a green representative who voluntarily acts as a contact between employees and regional environmental coordinators and distributes awareness material.
Environment Week	<ul style="list-style-type: none"> • In June 2001, HRDC celebrated Environment Week with information booths, workshops, green tips, participation in the nation-wide commuter challenge, a tree sale by Tree Canada along with other environmentally conscious activities.
Awareness activities	<ul style="list-style-type: none"> • General awareness material was provided to 18% of employees through initiatives such as e-mails, pamphlets, recycling presentations, a green conference, a climate change workshop, a green lunch and participation in the commuter challenge. • Climate change awareness material was provided to 8.57% of employees to communicate how to reduce greenhouse gas emissions. The target was to reach 10% of all employees.

Regulatory Initiatives

Income Security for seniors, persons with disabilities and their children, survivors and migrants

Purpose of legislative or regulatory initiative	Expected results	Performance measurement criteria	Results achieved
<p><i>Old Age Security (OAS) Regulations.</i></p> <p>Amendment required in order to ensure that low-income pensioners, receiving payments from specific government assistance programs, benefit from the "option provision".</p> <p>The "option provision" is intended to protect low-income pensioners from the financial impact of decreased revenues due to ceasing of employment, self-employment or ceasing of a business or when their pension income is reduced.</p>	<p>To allow pensioners receiving payments from specific government assistance programs, such as the Fisheries Early Retirement Program, the Plant Workers' Adjustment Program and other similar programs, to benefit from the "option provision". Payments from these programs stop at age 65.</p>	<p>Extending the "option provision" to assist recipients of government assistance programs is in line with the intent of that provision. It benefits those most in need.</p> <p>Through the regulatory change, pensioners who have suffered a loss of income may be entitled to the Guaranteed Income Supplement (GIS) and experience less financial hardship. The GIS is an income-tested benefit payable to seniors who have little or no income.</p>	<p>Effective April 26, 2001, the <i>OAS Regulations</i> were amended to extend the "option provision" to assist recipients of government assistance programs.</p> <p>Approximately 10,000 recipients may be eligible to benefit from this regulatory amendment in the next few years when they turn 65.</p>
<p><i>Canada Pension Plan (CPP) Regulations and Old Age Security (OAS) Regulations.</i></p> <p>Amendments required in light of proposals made by the Standing Joint Committee for the Scrutiny of Regulations. These amendments are non-substantive and are strictly related to wording changes.</p>	<p>These technical amendments are required to respond to the Committee's concerns.</p>	<p>The Committee's recommendations, when enacted, would improve and clarify the wording of the <i>OAS</i> and <i>CPP Regulations</i>.</p>	<p>The amendments became effective on June 6, 2002.</p>

Opportunity to fully participate in the workplace and community

Purpose of legislative or regulatory initiative	Expected results	Performance measurement criteria	Results achieved
<i>Employment Insurance (EI) Regulations</i> for charging of interest.	Amendments to the Regulations for charging of interest are required.	Amended regulations.	Amended regulations were implemented on July 1, 2002 (SOR 2002-236).
Minor amendments to the <i>EI Regulations</i> .	Minor changes to the Regulations.	Amended regulations.	Part of these amendments was made through Miscellaneous Amendments to Regulations published in the <i>Canada Gazette</i> , Part II on April 11, 2002 (SOR 2002-154). The other part of the amendments was pre-published in the <i>Canada Gazette</i> , Part I on April 13, 2002 for 30 days for public consultation. No comments were received and final approval and publication in the <i>Canada Gazette</i> , Part II on July 31, 2002 (SOR 2002-174).
Modernization: Amendment to the Regulations.	The <i>EI Regulations</i> will be amended in order to provide comparable benefits to same-sex common law partners as are presently accessible by opposite-sex common law partners. Same-sex couples will be paid EI benefits for adoption and will be allowed to share them as are opposite-sex couples now.	Amended regulations.	This amendment cannot be implemented until after there has been consultation with the provinces and territories. This consultation has not yet begun.

Opportunity to fully participate in the workplace and community (continued)

Purpose of legislative or regulatory initiative	Expected results	Performance measurement criteria	Results achieved
Restrictions on Financial Assistance: Amendments to the <i>Canada Student Financial Assistance Regulations</i> (CSFAR) and <i>Canada Student Loans Regulations</i> (CSLR) to provide less stringent restrictions to the Interest Relief and Debt Reduction in Repayment measures for borrowers who experience difficulty meeting their loan obligations.	Increased accessibility to debt management measures for student borrowers who need them the most will result in more borrowers being able to maintain their loans in good standing and less likelihood of their student loans being placed in arrears.	Lower default rates on Canada Student Loans.	Consultations with stakeholders and the provinces have occurred. The proposal is under review by the Department of Finance. The implementation date is to be determined.
Credit Screening: Amendments to the <i>CSFAR</i> to make credit screening mandatory before issuing a certificate of eligibility for a Canada Student Loan.	Coordination of policy between the Canada Student Loans Program and provincial student financial assistance programs.	Uniform application of credit screening in each participating province. Ensures program integrity through the identification of applicants who have histories of extreme credit abuse.	Implementation occurred in October 2001.
Modernizing Benefits: Amendments to the <i>CSFAR</i> and <i>CSLR</i> provide for equal treatment of common-law and same-sex partners, pursuant to the <i>Modernization of Benefits and Obligations Act</i> .	Equal treatment of common-law and same-sex partners. Harmonization of the Canada Student Loans Program with other federal government programs.	This initiative is part of a government-wide initiative to amend all regulations and legislation to modernize benefits.	Amendments received final approval by the Special Committee of Council on June 13, 2001. Implementation occurred on August 1, 2001.

Opportunity to fully participate in the workplace and community (continued)

Purpose of legislative or regulatory initiative	Expected results	Performance measurement criteria	Results achieved
<p>Debt Reduction in Repayment:</p> <p>Amendments to the <i>CSFAR</i> and <i>CSLR</i> to make the debt management measure more accessible and effective.</p>	<p>Increased availability of the Debt Reduction in Repayment measure for borrowers in financial difficulty will result in lower default rates on student loans.</p>	<p>A reduction in debt levels for students experiencing financial difficulties.</p> <p>Lower default rates on Canada Student Loans.</p>	<p>Consultations with stakeholders and the provinces have been favourable. Proposal is under review by the Department of Finance. Implementation date is to be determined.</p>
<p>Six- and Four-month Rule for Full-time Student Loans:</p> <p>Amendments to the <i>CSFAR</i> and <i>CSLR</i> would continue to provide a six-month post-study period in which to submit a confirmation of enrolment but would remove the four-month period.</p>	<p>Consistency with provincial student financial assistance programs will result in less confusion for students and help students to meet their responsibility of maintaining their loans in good standing.</p>	<p>Less likelihood of student loans being placed in default as a result of confusion on the part of students over their responsibilities.</p> <p>Increased efficiency in the delivery of loans and improved service to student borrowers through simplification of services.</p>	<p>These amendments became effective on August 1, 2002.</p> <p>Implementation is expected for the 2002-2003 loan year.</p>

Safe, fair, stable and productive workplaces

Purpose of legislative or regulatory initiative	Expected results	Performance measurement criteria	Results achieved
<p><i>Canada Labour Code:</i> Repeal of the <i>Country Elevator Agents and Managers Hours of Work Regulations, 1979.</i></p>	<p>The repeal of the regulations will allow the application of the general hours of work provisions under Part III (Labour Standards) of the <i>Canada Labour Code</i> to country elevator agents and managers who work throughout the four Canadian western provinces.</p>	<p>Number of complaints received pertaining to disagreements on hours of work and payment of overtime.</p> <p>No complaints have been received by the Labour Program – National Headquarters.</p>	<p>Country elevator agents and managers who work throughout the four Canadian western provinces are now subject to the application of the general hours of work provisions under Part III of the <i>Canada Labour Code.</i></p>
<p><i>Canada Labour Code:</i> Modernization: Amendments to the <i>Canada Labour Standards Regulations.</i></p>	<p>The equal treatment under the law for common-law opposite-sex and common-law same-sex partners to provide comparable benefits to same-sex common-law partners as are presently accessible by opposite-sex common-law partners.</p>	<p>Number of complaints received pertaining to disagreements on the entitlement to the bereavement leave to same-sex partners.</p> <p>No complaints have been received by the Labour Program – National Headquarters.</p>	<p>Same-sex common-law partners are entitled to three days of bereavement leave following the death of a member of their immediate family in the same manner as opposite-sex common-law partners.</p>
<p><i>Canada Labour Code, Part II – Coal Mines (Cape Breton Development Corporation) Occupational Safety and Health Regulations.</i></p>	<p>The amendments are expected to lessen the potential of hazards associated with a wide range of occupational injuries and illnesses, thus improving health and safety in the coal mines in Cape Breton.</p>	<ul style="list-style-type: none"> • Hazardous Occurrence Reports. • Annual Hazardous Occurrence statistics. • LA-2000 Non-Compliance Reports. 	<p>These Regulations are currently on hold, pending the future of the Cape Breton Development Corporation. They are tentatively being prepared for publication in Part I of the <i>Canada Gazette.</i></p>

Safe, fair, stable and productive workplaces (continued)

Purpose of legislative or regulatory initiative	Expected results	Performance measurement criteria	Results achieved
<i>Canada Labour Code, Part II – Canada Occupational Health and Safety Regulations (Part V) – Boilers and Pressure Vessels.</i>	To bring the regulations up to date.	<ul style="list-style-type: none"> • Hazardous Occurrence Reports. • Annual Hazardous Occurrence statistics. • LA-2000 Non-Compliance Reports. 	The amendments brought the regulations up to date, which is part of an ongoing commitment to regularly review and update regulations. Amendments to these Regulations came in force on August 1, 2001.
<i>Canada Labour Code, Part II – Canada Occupational Health and Safety Regulations (Part XII) – Fall Protection – Vehicles.</i>	The proposed amendment will ensure that employees working on top of vehicles have the same protection as all other employees under federal jurisdiction.	<ul style="list-style-type: none"> • Hazardous Occurrence Reports. • Annual Hazardous Occurrence statistics. • LA-2000 Non-Compliance Reports. 	Amendments to these Regulations are currently being finalized by Justice Canada for publication in Part II of the <i>Canada Gazette</i> .
<i>Canada Labour Code, Part II – Canada Occupational Health and Safety Regulations – Workplace Violence Prevention Regulation.</i>	This will ensure that violence prevention measures are in place in the workplace for the protection of all employees under federal jurisdiction.	<ul style="list-style-type: none"> • Hazardous Occurrence Reports. • Annual Hazardous Occurrence statistics. • LA-2000 Non-Compliance Reports. 	Working group meetings are ongoing and the parties are working on the development of a regulation.
<i>Canada Labour Code Part II – Canada Occupational Health and Safety Regulations – Prevention Programs Regulation.</i>	This will ensure that prevention programs are in place in the workplace for the protection of all employees under federal jurisdiction.	<ul style="list-style-type: none"> • Hazardous Occurrence Reports. • Annual Hazardous Occurrence statistics. • LA-2000 Non-Compliance Reports. 	The draft regulation was reviewed by Legal Services and sent to the Regulations Section on August 6, 2002.

Safe, fair, stable and productive workplaces (continued)

Purpose of legislative or regulatory initiative	Expected results	Performance measurement criteria	Results achieved
<i>Canada Labour Code, Part II – Aviation Occupational Safety and Health Regulations.</i>	This will bring the existing regulations up to date and is part of an ongoing commitment to regularly review and update regulations.	<ul style="list-style-type: none"> • Hazardous Occurrence Reports. • Annual Hazardous Occurrence statistics. 	The proposed regulations are being prepared for blue-stamping and prepublication in Part I of the <i>Canada Gazette</i> .
<i>Canada Labour Code, Part II – On Board Trains Occupational Safety and Health Regulations.</i>	This will bring the existing regulations up to date and is part of an ongoing commitment to regularly review and update regulations.	<ul style="list-style-type: none"> • Hazardous Occurrence Reports. • Annual Hazardous Occurrence statistics. 	Working in concert with Transport Canada to finalize the proposed regulations.
<i>Canada Labour Code Part II – Marine Occupational Safety and Health Regulations.</i>	This will bring the existing regulations up to date and is part of an ongoing commitment to regularly review and update regulations.	<ul style="list-style-type: none"> • Hazardous Occurrence Reports. • Annual Hazardous Occurrence statistics. • LA-2000 Non-Compliance Reports. 	Working in concert with Transport Canada to finalize the proposed regulations.
<i>Canada Labour Code, Part II – Oil and Gas Occupational Safety and Health Regulations.</i>	This will bring the existing regulations up to date and is part of an ongoing commitment to regularly review and update regulations.	<ul style="list-style-type: none"> • Hazardous Occurrence Reports. • Annual Hazardous Occurrence statistics. 	A comprehensive review of these regulations has been undertaken. A draft is being finalized with the National Energy Board.

Horizontal Initiatives

Different governments in Canada are cooperating to achieve results for Canadians. Horizontal initiatives and related results are undertaken and achieved through public policies that involve more than one jurisdiction, department/agency or partner in working towards shared objectives.

The following lists of HRDC Horizontal Initiatives include details on partners involved, program resources and the achievement for 2001-2002. Additional details on these initiatives can be found on the Treasury Board websites.⁵⁵

Initiatives	Partners	2001-2002 Actuals (in millions of dollars [\$M])	Achievement
Agreements on Employability Assistance for People with Disabilities (EAPD)	<u>Leader:</u> HRDC <u>Other Partners:</u> British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and Labrador.	HRDC: \$189.2M ^a	The number of results indicators agreed upon varies from one province to another. There are four results indicators that are common to all agreements: <ul style="list-style-type: none"> • number of people actively participating in programs and services; • number of people successfully completing programs and services; • number of people employed as a result of a program; and • number of people sustained in employment in case of vocational crisis.

a. The Government of Canada contributes 50% of the eligible costs incurred by provinces for programs/services funded under the EAPD up to the amount of the federal allocation identified in the bilateral agreement.

⁵⁵ For further information, see. http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/coll_res/coll_res_e.htm and http://www.tbs-sct.gc.ca/rma/account/sufa-ecus/dept_mini_e.asp.

Horizontal Initiatives (continued)

Initiatives	Partners	2001-2002 Actuals (in millions of dollars [\$M])	Achievement
Labour Market Development Agreements (LMDAs)	<p><u>Leader:</u> HRDC</p> <p><u>Other Partners:</u></p> <p>There are two types of LMDAs: Co-managed and Transfer.</p> <p>Under the co-managed LMDAs (Newfoundland, Prince Edward Island, Nova Scotia, British Columbia and Yukon) HRDC continues to deliver Employment Benefits and Support Measures (EBSM). However, each province and the territory has assumed joint planning and evaluation of these programs and services, with HRDC.</p> <p>Under the transfer LMDAs (New Brunswick, Quebec, Manitoba, Saskatchewan, Alberta, Northwest Territories, and Nunavut), provinces and territories are responsible for the design and delivery of programs and services similar to EBSMs.</p> <p>No LMDA has been concluded with the Province of Ontario.</p>	<p>HRDC: Of the total EI Part II program spending in 2001-2002:</p> <ul style="list-style-type: none"> ▪ 26.6% (\$497.3 M) was delivered by HRDC in co-managed regions, where provinces and territories participated in the design and delivery of EBSMs. ▪ 47.8% (\$893.2M) was directly carried out by provincial and territorial governments through funds that were transferred to them from the Government of Canada under the LMDAs. ▪ 25.6% (\$477.8 M) was delivered directly by HRDC in Ontario. 	<p>Through the LMDAs, labour market programs and services have been more responsive to local needs. Canadians have continued to receive timely and relevant labour market products and services. This has enabled them to increase their employability, resulting in a more timely return to the labour market.</p> <p>During 2001-2002, approximately 390,000^a EI clients received services either directly from HRDC or from one of our provincial or territorial partners. A further 130,000^a non-insured clients received assistance through Part II funded activities. During this period, 195,000^a EI funded clients returned to work after participation in these programs and services. As a result, we calculated unpaid EI benefits of \$665M^a that might have been paid otherwise.</p>
National Child Benefit (NCB)	<p><u>Leader:</u> HRDC</p> <p><u>Other Partners:</u> Finance Canada, Indian and Northern Affairs Canada, Citizenship and Immigration Canada and Canada Customs and Revenue Agency</p>	<p>HRDC (estimated): \$3.4M in program resources.</p>	<p>In preparation for the third annual progress report on the NCB, we continued to evaluate the progress of the NCB in achieving its goals: to help prevent and reduce the depth of child poverty; to promote labour market attachment; and to reduce overlap and duplication of federal, provincial and territorial programs.</p>

a. These numbers include Ontario and Aboriginal EBSM.

Horizontal Initiatives (continued)

Initiatives	Partners	2001-2002 Actuals (in millions of dollars [\$M])	Achievement
CanLearn Interactive Website Initiative	<p><u>Leader:</u> HRDC</p> <p><u>Other Partners:</u> Provincial and Territorial governments, more than 25 learning non-government organizations and several private sector organizations</p>	HRDC (estimated): \$2.0M in operating resources.	<p>Reach 1.5 million Canadians annually.</p> <p>Increase awareness of learning financing issues and opportunities.</p> <p>Opportunities for collaborative discussion among learning stakeholders.</p>
Partnership on Youth Employment	<p><u>Leader:</u> HRDC</p> <p><u>Other Partners:</u> Canadian Heritage, Parks Canada, Industry Canada, National Research Council Canada, Agriculture and Agri-Food Canada, Canadian Food Inspection Agency, Fisheries and Oceans Canada, Environment Canada, Natural Resources Canada, Foreign Affairs and International Trade, Canadian International Development Agency, Indian and Northern Affairs Canada, Canada Mortgage and Housing Corporation</p> <p><u>Youth Protocols Partners:</u> Newfoundland and Labrador Nova Scotia, Prince Edward Island, New Brunswick, Manitoba</p>	<p>Total federal envelope: \$130M in operating and program resources.^a</p> <p>No specific funding attached; rather, a joint planning mechanism.</p>	<p>To assist youth in preparing for, obtaining and maintaining employment, and in making a successful transition into the labour market, thereby resulting in increased employment.</p> <p>The achievements of HRDC's youth programs in 2001-2002 include 7,935 youth finding work and 1,592 returning to school.</p> <p>69,249 youth and students obtained work experience of whom 52,678 were students who participated in Summer Career Placements. The balance (16,571) were youth who participated in work experience programs such as Youth Internship Canada, Youth International and Youth Service Canada.</p>

- a. This represents the 2001-2002 planned spending level for HRDC and partner departments. Consolidated actual expenditures will be reported in the interdepartmental annual report (not yet available). The \$130M does not include \$25M in HRDC resources for youth related activities outside the partnership initiative.

Horizontal Initiatives (continued)

Initiatives	Partners	2001-2002 Actuals (in millions of dollars [\$M])	Achievement
Supporting Communities Partnership Initiative	<p><u>Leader:</u> HRDC - National Secretariat on Homelessness.</p> <p><u>Other Partners:</u> HRDC, Public Works and Government Services Canada, Canada Mortgage and Housing Corporation, Correctional Service of Canada, Health Canada, Justice and Canada Lands. All provincial governments and many municipalities and non-governmental Organizations across 61 communities in Canada.</p>	HRDC: \$55.4M in program resources.	<ul style="list-style-type: none"> • Enhanced partnerships and networks to increase local capacity to deal with homelessness. • Strengthened collaboration amongst sectors at the local level. • Resources leveraged from provincial/territorial and municipal governments and the voluntary and private sectors. • Investments made by communities to improve services and facilities to alleviate the hardship of homeless people. • Increased data on the homeless population and homelessness issues.
Understanding the Early Years	<p><u>Leader:</u> HRDC</p> <p><u>Other Partners:</u> Thirteen communities: North York, ON; Prince Albert, SK; Winnipeg, MB; Southwest Newfoundland, NF; Prince Edward Island, Fraser North, BC; Abbotsford, BC; Saskatoon, SK; Southeastman, MB; Niagara, ON; Mississauga, ON; Montreal, QC; Hampton, NB</p>	Internal re-allocation	Research and Community Mapping Reports released for North York, Winnipeg, and PEI. Improved community decision making due to data on children's outcomes for each neighbourhood and effects of family and community factors. Evaluation of community learning begun in five communities.

Horizontal Initiatives (continued)

Initiatives	Partners	2001-2002 Actuals (in millions of dollars [\$M])	Achievement
Aboriginal Human Resources Development Strategy	<u>Leader:</u> HRDC <u>Other Partner:</u> Aboriginal Organizations	HRDC: \$352.4M in program resources.	<p>To support Aboriginal organizations to develop and implement labour market, youth and child care programs that are designed to address the local and regional needs of Aboriginal people.</p> <p>Goals:</p> <ul style="list-style-type: none"> • assist Aboriginal individuals to prepare for, obtain and maintain employment, thereby resulting in savings to income support programs; • assist Aboriginal youth (a person normally from 15 to 30 years of age) in preparing for, obtaining and maintaining employment and in making a successful transition into the labour market, thereby resulting in increased employment; and • increase the supply of quality child care services in First Nations and Inuit communities, thereby raising the availability of distinct and diverse services in these communities to a level comparable to that of the general population. • in 2001-2002, assisted 50,036 Aboriginal clients, of whom 18,732 became employed or self-employed.

Horizontal Initiatives (continued)

Initiatives	Partners	2001-2002 Actuals (in millions of dollars [\$M])	Achievement
Foreign Worker Program	<p>The Foreign Worker Program is designed to assist Canadian employers to meet their human resource needs, by facilitating the entry of temporary workers into areas of the labour market with demonstrated occupational shortages, while sustaining and fostering a strong domestic labour market.</p> <p>It is jointly administered by HRDC and Citizenship and Immigration Canada.</p>	Funded internally	<p>The number of temporary foreign workers entering Canada has been increasing steadily in recent years, and is projected to continue to increase in response to demographic and labour market trends.</p> <p>In 1996-1997, HRDC processed over 42,000 requests from employers for employment validations; the number of requests has increased to 82,600 in 2001-2002.</p>
Voluntary Sector Initiative	Twenty-five federal departments ^a	Total federal envelope: TBS allocation of \$94.6M over 5 years ^b .	<p>Played a key role in advancing the five-year Voluntary Sector Initiative.</p> <p>We participated in several working groups with the voluntary sector for the benefit of Canadians.</p>
International Year of Volunteers (IYV) 2001	<p><u>Co-Leaders:</u> HRDC, Canadian Heritage and Volunteer Canada.</p> <p><u>Other Partners:</u> United Way, Community Foundations of Canada and Canadian Centre for Philanthropy</p>	Total federal envelope for 2000-2001 and 2001-2002: TBS allocation \$7.7M.	<p>IYV 2001 Canada Launch and 'I Volunteer' Campaign Launch</p> <p>We launched the Thérèse Casgrain Volunteer Award to honour those who have demonstrated a lifelong commitment to volunteering.</p>

a. Partners in Voluntary Sector Initiative: Agriculture and Agri-Food Canada, Canada Customs and Revenue Agency, Canada Mortgage and Housing Corporation, Canada Economic Development for the Regions of Quebec, Canadian Heritage, Canadian International Development Agency, Citizenship and Immigration Canada, Correctional Services of Canada, Environment Canada, Finance Canada, Fisheries and Oceans Canada, Health Canada, Human Resources Development Canada, Indian and Northern Affairs Canada, Industry Canada, Justice Canada, National Resources Canada, Privy Council Office, Solicitor General Canada, Status of Women Canada, Statistics Canada, Treasury Board of Canada Secretariat, Veterans Affairs Canada, Foreign Affairs and International Trade, and National Defence.

b. Includes total federal departments' participation over a five-year period starting in 2000-2001.

Horizontal Initiatives (continued)

Initiatives	Partners	2001-2002 Actuals (in millions of dollars [\$M])	Achievement
<p>Older Workers Pilot Projects</p>	<p><u>Leader:</u> HRDC</p> <p><u>Partners:</u> Newfoundland and Labrador, Quebec, Northwest Territories, Yukon, British Columbia, Saskatchewan, Nova Scotia, Nunavut</p> <p>The Older Worker Pilot Projects Initiative is a three year, \$30 million initiative to pilot new approaches for older worker employment. The focus of these approaches is to identify effective ways to re-integrate displaced older workers into sustainable employment, or maintain in employment older workers threatened with displacement. Project participants are normally between 55 and 64 years of age.</p> <p>Projects are designed, developed and evaluated by the provinces and territories in collaboration with the Government of Canada. Implementation of the projects is the responsibility of the provinces and territories. Funding for the Initiative is available until March 31, 2003.</p>	<p>HRDC: \$9.7M in program resources.</p>	<p>These projects will provide both levels of government with a better understanding of what works for this particular client group and how HRDC might wish to proceed cooperatively in advancing eventual policies and programs for older workers.</p>

Evaluations and Audits

HRDC is committed to ensuring that it gets the best possible results from its programs, services and operations and that it does so with full attention to effectiveness and efficiency. One way we assess impacts is through evaluations of our programs, services and policies. Evaluations of programs examine all elements of a program, ranging from the structure of the organization delivering the program and its functions, procedures and policies, to the achievements of the program. Policy evaluation provides a review of policy results and an assessment of the impact and effects. Both program and policy evaluations provide credible evidence of how well programs and policies are working and how they might be improved.

Given HRDC's Canada-wide policy leadership role, we complement these evaluations by undertaking analysis and supporting research into broad "lessons learned" on major social and labour market issues. These enable all governments in Canada, as well as groups that are interested in these issues, to learn from the best of Canadian and international experience and research.

HRDC Internal Audit and Risk Management Services conducts audits and provides consulting and advice services in the area of risk management for the Department. In combination, these services provide the Deputy Minister with assurance on key aspects of the Department's risk management strategies, control framework and practices and information used for decision-making and reporting. During fiscal year 2001-2002, HRDC spent \$4.5 million conducting audits and providing consulting and advice services in the area of risk management for the Department.

The chart below includes evaluation studies, audits and reviews published in 2001-2002 and organized by departmental strategic outcomes. Executive summaries, observations, recommendations and management action plans are published on HRDC Internet sites.⁵⁶

⁵⁶ See <http://www.hrdc-drhc.gc.ca>. Recent evaluations and special studies are posted at <http://www11.hrdc-drhc.gc.ca/>. Recent audits are posted at <http://www.hrdc-drhc.gc.ca/fas-sfa/iab-bvi/menu/toc.shtml>

Evaluations and Audits (continued)

<p>TO PROVIDE CANADIANS WITH:</p>	<p>AS DEMONSTRATED BY THE FINDINGS OF THE FOLLOWING:</p>
<p>Income security for seniors, persons with disabilities and their children, survivors and migrants</p>	<p>Audits:</p> <ul style="list-style-type: none"> • Income Security Programs Program Integrity Review – August 2001 • Consolidated statement of administrative costs charged to the Canada Pension Plan account (Year Ended March 31, 2001) <p>Evaluations:</p> <ul style="list-style-type: none"> • Income Security Programs - Analysis of Factors Influencing Planned and Actual Retirement Decisions • Income Security Programs – Evaluation of Public and Private Financial Incentives for Retirement • Income Security Programs – Literature Review of Public and Private Financial Incentives for Retirement • Income Security Programs – Simulations of Incentive Effects of Private and Public Pensions • Income Security Programs – The Interaction of Public Pensions and Retirement Decisions in Canada

Evaluations and Audits (continued)

<p>TO PROVIDE CANADIANS WITH:</p>	<p>AS DEMONSTRATED BY THE FINDINGS OF THE FOLLOWING:</p>
<p>The opportunity to fully participate in the workplace and community</p>	<p>Audits:</p> <ul style="list-style-type: none"> • Supporting Communities Partnership Initiative (SCPI) – Part I – October 2001 • Audit of International Academic Mobility Initiative – October 2001 <p>Evaluations:</p> <ul style="list-style-type: none"> • National Longitudinal Survey of Children and Youth • An Evaluation of the EI Pilot Project on Small Weeks, 1998-2001 • The Design of Summative Evaluations for the Employment Benefits and Support Measures (EBSM) • An Evaluation Overview of Seasonal Employment • Did the Social Assistance Take-up Rate Change After EI Reform for Job Separators? • EI Reform and Multiple Job-Holding • The Impact of EI Reform on Gappers • The Use of Daycare by the Unemployed During the EI Reform Period • Long-term Unemployment, Worker Profiling and Program Evaluation Issues • Strategic Initiatives – Summative Evaluation of Manitoba's Taking Charge! • Summative Evaluation of the Graduate Employment/Self-Employment Program – Newfoundland • Summative Evaluation of the Community Skills Centres – British Columbia • Summative Evaluation of the Labour Market Information – British Columbia • Summative Evaluation of the Assessment, Counselling and Referral – British Columbia • Lessons Learned – Reconnecting Social Assistance Recipients to the Labour Market • Evaluation of the Office of Learning Technologies

Evaluations and Audits (continued)

TO PROVIDE CANADIANS WITH:	AS DEMONSTRATED BY THE FINDINGS OF THE FOLLOWING:
Safe, fair, stable and productive workplaces	Evaluations: <ul style="list-style-type: none"> • Evaluation of Federal Labour Standards (Phase I)
Sustainable and effective program management and service delivery	Audits: <ul style="list-style-type: none"> • Comprehensive Audit of Moncton Information Technology Centre – October 2001 • Risk Assessment of Government on Line (GOL) – May 2001 • Audit of the National Grants and Contributions Performance Tracking Directorate’s Activities – October 2001

Websites and References

- Human Resources Development Canada (HRDC) website: <http://www.hrdc-drhc.gc.ca>
- Acts and Regulations governing HRDC: <http://www.hrdc-drhc.gc.ca/common/acts.shtml>
- Canadian Gateways – Information and Services by Subjects and Audiences: http://canada.gc.ca/cdns/indiv_e.html
- Canada Site: http://www.Canada.gc.ca/main_e.html
- Canada Benefits – Connecting you to Government Benefits: <http://www.canadabenefits.gc.ca/>
- Youth Path – Step Ahead: <http://www.youthpath.ca/>
- Persons with Disabilities Online: <http://www.pwd-online.ca/en/menu.jsp>
- Handbook on Values and Ethics in HRDC: <http://www.hrdc-drhc.gc.ca/dept/mission/handbook.shtml>

Opportunity to fully participate in the workplace and community

- Knowledge Matters: Skills and Learning for Canadians: <http://www.hrdc-drhc.gc.ca/sp-ps/sl-ca/home.shtml> and <http://www.hrdc-drhc.gc.ca/sp-ps/sl-ca/doc/knowledge.pdf>
- Canada's Innovation Strategy: <http://www.innovationstrategy.gc.ca/>
- CanLearn Interactive: <http://www.canlearn.ca>
- Investing Strategically in Information Management/Information Technology (IM/IT) – Managing the Human Dimensions of IM/IT: <http://www.canlearn.ca/utility/offsite.cfm?site=http://www.techgov.com/2001/english/medalists.html>
- *Literacy in the Information Age: Final Report of the International Adult Literacy Survey*: <http://www1.oecd.org/els/education/literacy/pubs.htm>
- Essential Skills: <http://www15.hrdc-drhc.gc.ca/english/es.asp>
- National Child Benefit: <http://www.nationalchildbenefit.ca>
- Canadian Child Care Federation: <http://www.cfc-efc.ca>
- Employability Assistance for Persons with Disabilities - National Report 1999-2000, 2000-2001: http://www.socialunion.gc.ca/pwd_e.html
- Secretariat, Official Language Minority Communities: <http://www.hrdc-drhc.gc.ca/dept/solmc-scmlo/>
- Office of the Commissioner of Official Languages - Annual Report 2000-2001: http://www.ocol-clo.gc.ca/archives/ar_ra/2000_01/2000_01-toc_tdm_e.htm
- Thérèse Casgrain Volunteer Award: <http://www.volunteeraward.gc.ca>
- Employment Insurance (EI) Monitoring and Assessment Reports: <http://www.hrdc-drhc.gc.ca/ae-ei/loi-law/eimar.shtml>

Opportunity to fully participate in the workplace and community

(continued)

- Labour Market Development Agreements (LMDA):
<http://www.hrdc-drhc.gc.ca/ei/common/lmaind.shtml>
- EI benefits eligibility – Quitting your job/or being fired for misconduct:
<http://www.hrdc-drhc.gc.ca/ae-ei/pubs/regular.shtml#Quitting>
- and Can I get EI if I quit my job?
http://www.hrdc-drhc.gc.ca/ae-ei/menu/faq/faq_e.shtml#quit
- Employment Insurance – EI Commission and the law:
http://www.hrdc-drhc.gc.ca/ae-ei/loi-law/8.0_e.shtml
- Canada Student Loans Program: http://www.hrdc-drhc.gc.ca/student_loans/

Safe, fair, stable and productive workplaces

- Work-Life Balance in Canadian Workplaces: <http://labour-travail.hrdc-drhc.gc.ca/worklife/>
- Labour Program Home Site: <http://labour-travail.hrdc-drhc.gc.ca/>

Sustainable and effective program management and service delivery

- Modern Comptrollership: <http://www.hrdc-drhc.gc.ca/modernmanagement>
- HRDC 2001 Government On-line Public Report:
http://www.hrdc-drhc.gc.ca/dept/reports/gol-ged/hrdc_gol.shtml

Other websites

- *2002-2003 Report on Plans and Priorities*: <http://www.hrdc-drhc.gc.ca/fas-sfa/rpp0203.shtml>
- *Public Accounts of Canada for 2002*: <http://www.pwgsc.gc.ca/recgen/text/pub-acc-e.html>
- Social Union Framework Agreement (SUFA) – All Initiatives:
http://www.tbs-sct.gc.ca/rma/account/sufa-ecus/all_toutes_e.asp
- Horizontal Results: http://www.tbs-sct.gc.ca/rma/eppi-ibdrp/coll_res/coll_res_e.htm
and http://www.tbs-sct.gc.ca/rma/account/sufa-ecus/dept_mini_e.asp
- Evaluation and Data Development at HRDC: <http://www11.hrdc-drhc.gc.ca/>
- Internal Audit and Risk Management Services – Reviews and audits completed:
<http://www.hrdc-drhc.gc.ca/fas-sfa/iab-bvi/menu/toc.shtml>

Questions and Public Enquiries

If you have questions about departmental programs and services, you may contact your nearest Human Resources Development Canada office listed in the Government of Canada pages of the telephone book or the HRDC Public Enquiries Centre.

To obtain HRDC publications, you may contact the HRDC Public Enquiries Centre at 1-819-994-6313.

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