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Chair

Ms. Raymonde Folco

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• (1105)

[Translation]

The Chair (Ms. Raymonde Folco (Laval—Les Îles, Lib.)):
Good morning.

Before starting on the agenda as such, colleagues, I'd like to tell you that a number of committee members have received a letter signed by Gary Malkowski. It was translated into French, and I believe it has been distributed to all committee members in both official languages.

However, in view of the wording of the letter, I thought it would be important to read it so that its content is included in the minutes of the meeting. Here's the letter we have from Gary Malkowski. It was sent on March 31 of this year and states: "*Dear Mr. David Carter-Whitney [...]*"

You remember that David Carter-Whitney represents the Canadian Hearing Society?

The Clerk of the Committee (Ms. Danielle Bélisle): No, Mr. Carter is an official at the Department of Human Resources.

The Chair: Pardon me. Mr. Carter-Whitney is an official.

The Clerk: The author of the letter, Mr. Malkowski, is from the Canadian Hearing Society.

The Chair: Good. I apologize. Mr. Carter-Whitney is an official at the Department of Human Resources, while Gary Malkowski is from the Canadian Hearing Society. He was at our meeting on March 24 last.

[English]

Dear Mr. David Carter-Whitney:

Yesterday, upon reviewing the Hansard record of the CHS presentation to the Standing Committee on Human Resources Development and the Status of Persons with Disabilities I realized that a couple of answers I had given during follow-up questioning were poorly phrased and I want to clarify what it was I meant to say, and apologize for the error.

What I wanted to convey was that the process of implementing the policy directives has been intimidating for many CHS offices, and that many offices feel that our programs are at risk as we learned the fact is that the discontinuation of HRSDC funding CHS Sault Ste Marie occurred. I did not mean to imply that you personally were intimidating us, or that I believe any CHS programs are at risk after either meeting with you or presenting to the committee.

I was trying to reflect the level of anxiety among many of our offices around agreement renewals, as well as many other non-profit agencies generally.

In fairness I believe that HRSDC's policy directives have presented challenges both for you, and for us, and I appreciate that you are working to reach solutions that work under difficult circumstances.

In particular, I appreciate your offer to examine our accessibility costs in detail with us, and we should have these figures ready next week.

After the CHS presentation at the standing committee on March 24, we also appreciated the facts that we learned that the Toronto area HRSDC office has agreed to fund three critical positions for our employment service at Toronto CHS. As a result, we will be able to place significantly more job seekers, and we will make good on our promise to deliver on the agreed upon performance numbers.

Once again I apologize for these statements, my intention was and continues to be to help, and I look forward to working with your office in the months and years to come.

Yours sincerely

Gary Malkowski

Vice President, CHS Employment Services Development

And there is a copy to Danielle Belisle, the clerk.

• (1110)

Hon. Peter Adams (Peterborough, Lib.): I so move.

The Chair: We have a motion by Mr. Adams.

There is a motion on the floor.

Is it agreed to have this letter appended to today's minutes? Agreed? No abstention. No one's against the motion?

(Motion agreed to)

The Chair: Thank you very much.

We now go on, and I'm sorry to keep everyone waiting, but it was a matter of some importance because of the letter.

[Translation]

Pursuant to Standing Order 108(2), we are studying the call for proposals by the new Human Resources and Skills Development Canada on criteria for funding community programs.

[English]

We have today Pathways Skill Development and Placement Centre, Mr. Paul Hubert, executive director, and Madame Langille; the Ontario Association of Youth Employment Centres, Mr. Matt Wood, executive director.

[Translation]

From the Chambre de commerce et d'industrie Thérèse-de-Blainville, we have Annie Bélanger, Director General, and Rosalie Clément-Jolette, Project Coordinator.

[English]

And by videoconference from the New Westminster Community Development Society, amongst the daffodils, Madame Vicki Austad, executive director. It's not that you should have put daffodils on your desk, it's that you should have sent us daffodils. I think we would really appreciate it.

So we will give five minutes to.... Mr. Martin.

Mr. Tony Martin (Sault Ste. Marie, NDP): On a point of order, I wasn't able to get in between the Gary Malkowski's letter and—

The Chair: Give me a minute to put on my earpiece, Mr. Martin, because I want to make sure I hear you clearly.

Yes, go on, please.

Mr. Tony Martin: I have a couple of points of order that I'd like to raise. I believe you received a letter from Minerva Hui regarding her testimony from last week. She made a mistake in referencing JVS when she meant Vocational Pathways, and I was wondering if you had done anything to correct that in the record.

The Chair: And so in the letter she mentioned JVS. I'm not aware of it.

Mr. Tony Martin: It's about correction of her testimony. She cited the wrong agency near the end of her testimony. She, I believe, has communicated to you about this; she wants to replace her reference to JVS with Vocational Pathways.

The Chair: In fact, Mr. Martin, she has been in contact with the clerk. What the clerk suggested to her is that to correct this she write us a short letter so we could just simply read it into the record in the way I've just done.

Let me just read that part in the letter Madame Minerva Hui sent to Madame Bélisle on March 29:

I am afraid I misspoke myself during the discussion segment of the meeting. In the last quarter of the meeting Mr. Tony Martin asked me about potential contract winners who contributed to the Liberal Party. I replied Ontario March of Dimes and JVS. JVS did not make any contributions. I should have said Vocational Pathways.

So it's been read into the minutes, Mr. Martin. Thank you very much.

Yes?

• (1115)

Hon. Eleni Bakopanos (Ahuntsic, Lib.): I wish to raise a point of order. I think the witnesses have been waiting now for 15 or 20 minutes. I think it would be appropriate, if you don't mind my saying so and if our colleagues agree, if these points of order were raised at the end, once the witnesses have finished. That's business of the committee; I don't think that's business of the witnesses. I would suggest that we get on with the witnesses, who have been waiting for 20 minutes, and that Mr. Martin can raise these points at the end.

The Chair: Yes, Mr. Martin.

Mr. Tony Martin: I have just one more point to raise, and I would like to raise it now, if you don't mind; I believe I have a right to. Last week during the committee hearings—

The Chair: It was two weeks ago, in fact.

Mr. Tony Martin: Two weeks ago, yes; there's been lot of water under the bridge since then.

It was asked of me that we circulate media clippings in response to other members across the table wanting proof that Liberal-friendly companies were winning contracts over established community agencies. I was wondering if you'd circulated those clippings.

The Chair: The clerk says she has not received this.

Were these documents in both official languages, Mr. Martin? That's the only way I can circulate anything here, as you know.

Mr. Tony Martin: No, but I sent them to your office. I expected that this would have been done and that those would have been circulated, because there seemed to be some urgency around people getting hold of those to see them.

The Chair: I understand they have been sent to the clerk now. In order to be able to circulate them, I have to have them translated. There seem to be about fifty pages. Do you wish to have all of that translated, Mr. Martin?

Mr. Tony Martin: Just the relevant sections.

The Chair: You'll have to pick the relevant sections. I cannot do that for you; it's not my right to do so.

Mr. Tony Martin: They're the sections that refer to the contributions.

The Chair: It's up to you, Mr. Martin.

What I would strongly suggest is that in the next couple of days you indicate which sections you would like to have circulated, and we will undertake to have them translated.

Mr. Tony Martin: Sure.

The Chair: Thank you.

We'll now go on. Once again, my apologies to the witnesses who are waiting, particularly those from so far away.

From Pathways Skill Development and Placement Centre, we have Mr. Hubert and Madame Langille.

Mr. Paul Hubert (Executive Director, Pathways Skill Development and Placement Centre): Thank you very much for inviting us here this morning.

My name is Paul Hubert. I'm the executive director of the Pathways Skill Development and Placement Centre in London. My colleague is Anne Langille. She's the general manager of WIL Employment Connections, also in London.

We're really here representing a collective called the Employment Sector Council London Middlesex, which is a collective of about 50 community-based organizations that deliver training, skills development, and employment in London and Middlesex County. Our members are non-profit service providers, private trainers, educators, representatives of all levels of government, and collectively our members account for approximately 95% of the HRSDC dollars spent in the London-Middlesex area.

We have been following the proceedings of this committee, and we feel there are several points that are critical to the development of Canada and the people of Canada, which we want to discuss for a few minutes with you this morning, and we look forward to taking your questions and discussing that further. These talking points have been distributed in both official languages, and I trust that all members have them.

Canada has a real tradition of effectively establishing national priorities and engaging local non-government organizations for local community-based responsiveness, and we need to be congratulated for that. HRSDC has historically established a national policy, has effectively engaged the non-profit sector, and has really been inclusive in its program design to serve the needs in communities across Canada.

Our observation has been, however, that in the last year and a half or two years, two significant shockwaves have hit our communities and hit our NGOs, and then by virtue of that, have hit clients in communities across Canada, and certainly in London. These policies have affected our clients. They have served to debilitate, destabilize, and dismantle significant and necessary services for clients—I hesitate to even use the word “clients”; let’s call them “Canadians”—in our communities.

These policies have been put into place without consultation and without necessary consideration of the breadth and depth of their impact in our community. In fact, just this past week the minister was sent a letter from our mayor outlining the potential downstream impacts that we are anticipating over the next months as a result of this.

Three programs concluded operation last week, at the end of March. Collectively this year, we’ll have taken away service from probably close to 3,000 Canadian citizens in our community.

The first shockwave was composed of the four administrative directives of February 2004. I’m not going to go into detail. We’ve sent extensive briefs to all members of the committee.

It has resulted in gaps in service to clients, many of whom are already disenfranchised, and many of whom are discouraged and disillusioned, and even disillusioned about being Canadian and being part of this country, and whether there is a future for them as part of our society. They’re either being denied service or the service they previously had access to is being limited.

Administrative delays have caused multiple extensions and countless hours of rewriting proposals. Often, agencies that do not have deep pockets in terms of financial resources and financial reserves are having to bridge between contracts, or rewrite contracts, or wait for three-month temporary extensions. Some are going on to multiple extensions.

In this way, the directives have diverted time, energy, creativity, and financial resources away from the community—community development and serving the Canadians we exist for. As well, they’ve added extensive administrative and overhead costs as time is invested in those sorts of administrative things. Extreme audit controls have served to micromanage the resources and detract from what we really call for, which is results-based accountability.

•(1120)

The second shockwave that I would refer to is one that we probably see as having a greater long-term and downstream impact. It came in the form of new employment assistance services guidelines in November 2004. These directives are reinterpreting legislation in a far more rigid and restrictive way. This hampers the ability of non-government organizations to deliver quality service to clients and to the Canadian taxpayer. Whatever the objective of that may have been, the result is an increased inaccessibility of key programs for non-EI or reachback clients and a setback to the social development and infrastructure and fabric of communities such as London.

An example of this would be HRSDC in London. This is the last week. They had information sessions—rights and responsibility sessions—in the public library that were open to EI clients. Those have now been discontinued; this is the last week of them, and so, in a sense, of the doorway of access. Where do I go to find service? How do I find out about this? I’ve never been unemployed before in my entire life; my father has never been unemployed, nor my mother; I don’t know anyone who’s unemployed, so where do I go to get service?

That is no longer available to them. A little bit, they’re left trying to feel their way along. Often, as we know in the field, the length of time you wait from the time you lose a job to the time you start to receive help will determine the length of time you will stay on EI and the length of mental health issues that often occur, because of discouragement, to people who are unemployed. Also, there’s the lack of the resource that’s taken away from our system, if I may say so, Madam.

So our four questions this morning are these. Who are our clients? Whom do we serve; is it all Canadians, or just those on EI? Will HRSDC’s programs provide a place and an opportunity for every person to exist and participate in the workforce? How will programs invest in the development of innovative and creative services that will develop our workforce for the future?

Finally, how will we measure this? What will the anticipated outcomes of these programs be and the appropriate business model for accountability for them? We look forward to hearing from the committee and from the government how we should look forward to those so that there’s a place and an opportunity for every Canadian in the 21st century.

Thank you, and my apologies for going over.

•(1125)

The Chair: Thank you, Mr. Hubert. It’s actually my fault; I didn’t indicate it to you. I will now go straight to the Ontario Association of Youth Employment Centres.

Mr. Wood.

Mr. Matt Wood (Executive Director, Ontario Association of Youth Employment Centres): Thank you, Madam Chair.

My name is Matt Wood. I'm the executive director of the Ontario Association of Youth Employment Centres. We represent 70 youth employment centres across Ontario, all of them non-profit charities implementing government programs from all levels of government, as well as programs funded by private foundations, the United Way, and other funders.

I'd like to make three points to inform the committee's recommendations on the CFP process that HRSDC has implemented.

The first point I'd like to make is to recommend the creation of a permanent third-party advisory group to inform both MPs and senior bureaucrats of the impact of HRSDC policies in the field.

The second point I'd like to make is to inform the committee that there are many dozens of youth employment centres, rather large charities, who deliberately avoid applying for and implementing HRSDC programs because they do not feel, despite the fact the program is aimed at accomplishing their mission of helping young people, that it's worth the effort and the headache of working through the bureaucracy.

The third point I'd like to make is that in order to give a fair assessment of what's going on in Canada, the scope of this review, in focusing on the call for proposals process, should be expanded.

On the first point, a third-party advisory group could inform this committee. If it were permanent and if it had representatives from the field, there could be a new mechanism to inform both MPs and senior bureaucrats of the impacts of their policy decisions. This third-party advisory group could effectively depoliticize the process to the point where agencies that are experiencing hardship or agencies that are implementing terrific work would very easily come forward and speak their minds and inform MPs of the accurate situation in the field. It's extremely difficult, I believe, for HRSDC civil servants to pass accurate information up all the way through the chain of command to the field, especially if sometimes it's bad news. I am aware of models of third-party advisory groups that are extremely effective in other provinces and would be happy to share details about them.

The second point is that I know several dozen youth employment centres that, at their board level, are discussing not participating in HRSDC programs because they recognize firstly that there's a lot of red tape, but secondly because the call for proposals process in particular has made agencies very reluctant to build a long-term program. Why would an agency, for example, invest three years of work in becoming a more effective youth employment group only to have their project go over the threshold of \$500,000 and be put out to tender?

The youth employment strategy of the federal government is designed to encourage communities to define the programs they feel will meet the community needs. It is wrong to put that sort of program out for tender, because it really isn't a government-designed program for which you're just looking for a service deliverer; rather, it's a community-designed program that the federal government has decided to support. To put that out for tender makes absolutely no sense.

There's an example of that in the discussions that I know you heard reference to in the first meeting. It's the Gateway Cafe, in Toronto, which has been defunded, losing their funding to a private provider. Gateway Cafe was a community-driven idea from the start, when it was initiated in 1997. The community designed the program. The community sought federal funding, received it, and then was told, now we have to tender your program out. There's an injustice there.

The final point is that if what we're concerned about is transparency and accountability—and we are all interested in that—then this review has to move beyond the call for proposals process. There are elements of the call for proposals process that actually enhance accountability and transparency, but the widespread nature of the challenges in the administration of HRSDC programs needs to be addressed in a very substantial way.

• (1130)

In terms of transparency, for example, I'm in an Ontario-wide umbrella group and I cannot get a list of youth employment programs funded federally in Ontario. I have never been given that list. I've requested it twice and have been told by a federal civil servant I should submit an access to information request in order to get it. That's a transparency issue that isn't on the table, if we're just going to talk about the call for proposals process.

Accountability is a huge issue. I believe that where accountability may be falling down in this call for proposals process is in the negotiations of the contracts after they are awarded. Proposals are submitted, contracts are awarded, and then the terms are changing. There are several examples of terms changing after contracts are awarded. You can imagine the political risk involved there, both if it's the civil service changing the terms of the contract, which there are examples of, or if it's the proponent changing the terms of the contract. There's a large accountability loophole that occurs in the negotiations of these contracts.

Finally—I know it's been mentioned before—HRSDC puts very little effort into program evaluation on the level of the community agency that's implementing the program. They evaluate the financial spending habits, but they don't actually evaluate the effectiveness of the program. The only time they do that is on a nationwide level, where the numbers become extremely general and where you can't interpret from national statistics any operational changes to improve programs.

The three points I have made are straightforward: I'd highly recommend a permanent third-party advisory group to inform HRSDC policy-making; I would like to highlight the political risks and the opportunities that are lost because so many youth employment centres are avoiding federal funding deliberately; and I'd recommend the expansion of this review.

Thank you very much.

The Chair: Thank you very much, Mr. Wood.

We now go on to Madame Annie Bélanger, of the *Chambre de commerce et d'industrie Thérèse-Blainville*.

[Translation]

Ms. Annie Bélanger (Director General, Chambre de commerce et d'industrie Thérèse-De-Blainville): Good morning. With me is Rosalie Clément-Jolette, who is the Project Coordinator. I am Director General of the Chambre de commerce et d'industrie Thérèse-de-Blainville.

For seven years now, our organization has promoted the young graduates component of Youth Internship Canada, that is to say the previous program. In March, as a result of a change in the government's strategy, our organization filed its first application under the Career Focus Program.

The initial project, which was developed in February 2004, was reworked four times so that we could adjust to the many last-minute changes made to the Career Focus Program strategy.

The Chair: Excuse me, but you're going too fast for the interpreters.

Ms. Annie Bélanger: So I was saying that, last June, a final application was filed. The project has been under way since September 20.

With regard to project management, I should mention that, when the project started, there were no problems to report...

• (1135)

The Chair: Excuse me, but you're still going a little too fast.

Ms. Annie Bélanger: Pardon me.

Once the project started, there were no problems to report with regard to project management as such. Thus far we've had excellent cooperation by project and development officers at the Sainte-Thérèse HRCC. I want to mention that. Furthermore, we feel the financial reports and progress reports required are very reasonable, and the project's financial needs are well covered.

In the field, we also note that the project is flexible and adaptable, which enables the coordinator to respond effectively to the needs of the clientele, both youths and businesses.

I have a lot to say about how things worked before the project was started up in our community. When an organization is interested in getting funding through a project under the Youth Employment Strategy of the Government of Canada, it must file an application. That application must describe the entire conduct of the project, both the activities proposed and partnerships that will be established, as well as a detailed budget.

Before funding is even confirmed, the project must be completely developed and support letters from partners must be signed. An application includes an exhaustive description of all project activities, from A to Z. So you have to plan activities that will be offered. It also includes an explanation of partners' involvement. You have to evaluate their contribution, meet with them, present a project to them and reach agreements with them. In addition, an application must include a detailed budget, broken down over the project period. Every month you have to evaluate the expenses incurred by the project. You also have to include a description of the organization, its experience, field of expertise and skills, as well as reasons why the project is appropriate to the region.

The Chair: Pardon me for interrupting you in the middle of your speech. It's just that you only have a few minutes left, and I'm getting the impression you won't get to the main part of your subject. That's why I interrupted you.

Ms. Annie Bélanger: Perfect. I'll go quite quickly.

• (1140)

The Chair: No, don't go faster.

Ms. Annie Bélanger: That's true; I also have to speak slowly.

In fact, this project requires more than 100 hours. For a community organization such as ours, which will make no financial profit from the operation, it's a job that requires a lot of investment and energy. We're obviously aware that it's important to show that the project is relevant and to provide an overview of skills. However, that requires a major investment at the outset.

Now I'll talk to you about impact on the community. In the call to tender process, the organizations that wanted to submit a project did the necessary work. Then the projects most appropriate to the region received funding, which created competition among organizations. It's important to mention that. Of course, when you work hard and believe in your project, you want it to be carried out. We noticed that competition set in, which had a negative impact on organizations, whereas we want to offer services in our community and environment.

Since we don't know what organizations will submit a project, we can't create partnerships with organizations that might have the same goal as us, which would make it possible to pool our resources and ideas and to carry out projects that would be even more promising and have a structuring effect for our community. So we work in isolation, which isn't necessarily the purpose of these programs.

In addition, not-for-profit organizations often have limited resources. We aren't the only ones in this situation. If we spend 100 hours thinking up a project when we don't know how it will turn out, that requires a major effort for people in the office. We also have to cut in other areas. Every action in a not-for-profit organization is designed to provide as many services as possible to its members, but at the lowest possible cost, in view of our resources.

I have a few potential solutions to the problem. When programs are announced, it would be a good idea if we could know the main points of the strategies so that we could then submit a project overview. When that draft was approved, once we knew it was a project that might be positive for a community, we could draft detailed project proposals. In that way, we would always come up with higher-quality projects, for the greater good of our communities. Resources could even be allocated to develop those projects.

Project continuity, which some people referred to earlier, is also very important. Once our project is under way, we could already draft the next application and start working on our next project, establishing our partnerships and letting people know what's coming. But there's always a waiting period between two projects. We submit the results, then there's a delay of several weeks, often several months, before a new project comes up. When that waiting period exceeds two weeks, the community loses all the benefits generated by the first project. Then you have to start all over again promoting projects to companies and young people: you have to present it again to our partners, and so on. We always have to start all over again.

We tried this in the last year of the Youth Internship Canada program, when there was a break between two projects. Our results improved tenfold with the same amounts of money invested and the same number of hours spent working. We really had better results.

The Chair: Thank you. I apologize for interrupting you, but I can't allow you any more time.

[English]

Next, from the New Westminster Community Development Society, we have Ms. Vicki Austad, executive director.

Ms. Vicki Austad (Executive Director, New Westminster Community Development Society): Merci beaucoup. That's the extent of my French that I trust right now.

I'm going to offer you some comments regarding our organization. I have been in contact with other organizations in B.C. in my role as the chair of the Canadian Community Economic Development Network's B.C. cohort. Their experiences are similar to ours, but my comments have to do with our own organization.

My intention was to spend much more time on this document, as my contribution to this critically important discussion. That was not possible, given the variety of stresses our organization is typically under this time of year. Ironically, one of the most significant issues was the signing of our eighth HRSDC contract only six hours before the closing of our old contract on March 31, 2005. What I have put together to tell you comes from the heart, and I thank the committee for this chance to speak and be listened to.

Like others, our organization has been conscious of the challenge of communicating dissatisfaction with the funder. Colleagues share my fear of reprisal as a result of submitting complaints to the department. I believe that a positive outcome of this process could be the development of a—

The Chair: Excuse me, you're going too fast. We've got translation. I know we speak fast because we want to say a lot, but don't forget that you can always submit a brief to this committee at a later time. Please slow down.

Ms. Vicki Austad: Pardon me; I will.

I would hope that a positive outcome of the process would be the development of a clear and transparent conflict resolution mechanism where problems might be settled without fear, and with learning as the goal.

Over the past eight contracts we have had a minimum of 10 project officers. This turnover would be more easily managed if the range of expectations of the project officers were more consistent.

This constant change means constant change in reporting systems, time used to reset, unlearn the old, and relearn the new. We request more consistency in the expectations of project officers.

We moved from offering an open job search centre to a more structured workshop format in 2004. Although our intakes were lower than anticipated, our retention and completion rates were 99.9%, with 139 and 127 clients respectively completing our programs.

For the first time in our history of HRSDC contracting, we have had to depend on other organizations, specifically the employment resource centres, for our referrals. Also, for the first time in our long-standing positive history, previously having well surpassed our expected numbers, our numbers are low. Sadly, we are held responsible for something over which we have had very little or no control. We request that when participant numbers are a problem, the problem be shared by the department, the agency, ourselves, and the organization tasked with doing the referrals.

I'm going to skip around here so I'm sure to get in everything I need to say.

Many organizations have reported frustration with the micro-management deemed necessary in HRSDC contract negotiations. These policies are time-consuming and, more importantly, detract from time that would be better spent in program development and client contact. Sometimes these policies place more of a burden on smaller organizations like our own, who spend a great deal of staff time adjusting small amounts, sometimes less than \$20, on each payment claim. In many cases the staff time exceeds the amount of time contracted.

In addition, as a proposal goes through various levels of approval, our organization's project leads have had to answer the same questions over and over. We are not informed as to why the same questions are asked, but are expected to answer within a very short and defined period of time, often within the same day.

Even though the processes we go through to prepare to deliver services to the public on behalf of the government are called a negotiation, our experience lately has been "do exactly as we say or we will not award you this contract". Community contractors need to be treated like professionals and partners in the process of negotiation. This respectful treatment sets the stage for even greater passion for and commitment to the services we provide for our clients.

Four final points deserve mention. The more involved project staff are in the community, the more knowledgeable the program regarding what services and opportunities exist therein. Current policies discourage community involvement and therefore diminish the potential of staff to provide information and services to clients.

Because of new contract restraints, organizations are now placed in the position of competing rather than collaborating. A more collaborative model needs to be considered in order to meet ongoing client needs.

Point number three is, large organizations are now seen as better able to provide services than small organizations that have far more experience and knowledge in the field but less financial capability.

Finally, many program participants recycle continuously through programs designed only to give the most superficial assistance. We would request consideration of implementing some experimental pilots, where community programs can do more than just assess and refer with respect to this particular client group.

I hope that was slow enough. Thank you very much for your attention.

• (1145)

The Chair: Thank you very much, Ms. Austad. You'll get a chance to perhaps add a little more during the question period.

Mr. Devolin, you have seven minutes to begin with.

Mr. Barry Devolin (Haliburton—Kawartha Lakes—Brock, CPC): Thank you.

I'd like to begin by thanking all the presenters. I enjoyed the presentations this morning. I think all of you arrived with the intent of helping us to actually make these programs work better for Canadians, and I appreciate it. In particular, Mr. Wood, I would like to applaud you on your presentation, which in my opinion meets three important tests, those being brevity, clarity, and specificity.

I'd like to focus on Mr. Wood in this first round of questioning.

I appreciated the four recommendations you made for us. I'd like to ask you, though, about the second point, the notion that, my note says, the RFP process does not respect the proprietary rights of those who start the programs. It's an interesting concept that an organization comes up with an idea, develops an innovative program to try to reach a particular client group, feels some ownership of it—and rightly so—and then somewhere down the line the government agency that has a fiduciary responsibility to consider different providers takes that good idea and shops it around. I can only imagine the frustration that must create.

On the flip side, I guess there would be a concern that if an organization has an idea and starts to develop it, it may not work very well to suggest that no one else could do it. I'd like you to drill down on that point a little further. Do you have some more specific ideas of what we actually could do?

• (1150)

Mr. Matt Wood: Thank you.

I think the issue is that calls for proposals are just one way of assuring accountability. In the absence of program evaluation—in other words, in the absence of civil servants evaluating the methods that are used to employ people, the clients who are served, the outcomes, and the numbers—in the absence of that sort of accountability, a call for proposals makes sense. But that we are operating without that kind of accountability is the real lack. That's the real gaping hole we're facing.

Many federally funded agencies can tell you how many people came off EI, and that is a positive outcome obviously, but they can't tell you in detail where those people lived, what their economic circumstance was beforehand, the demographic characteristics of those people. They can't describe in detail what interventions were put in place. Was it a workshop that made the difference? Was it training that made the difference? Was it one-on-one counselling? And then they can't describe, other than saying that now they're employed.... They wouldn't describe, for example, whether they have a long-term job, or a high-paying job, or a job that they like, or that fits with their career aspirations.

Rather, all they report and all that is floated up to the larger level is that they're employed. To the issue of whether we are offering and running quality programs, there's no answer, because we're not collecting enough information about it; we're not doing program evaluation. In the absence of program evaluation it's almost impossible to judge between different providers. Yes, there are fiscal measures that are well documented, so administrative costs might be compared, or actual program costs per outcome might be compared, but effectiveness between different proposing agencies cannot be compared.

Mr. Barry Devolin: That goes back to the question whether, for the government and for the ministry, where there's a fiduciary responsibility and some expectation of objective analysis of different programs and assuring that limited dollars are being spent in the most effective areas.... We recognize the challenge, I guess, but do you think there is a better way to somehow quantify the success or lack of success of programs that we're not using and that would meet both of those objectives, both determining which programs really work and providing the ministry with the kind of information they need in order to make objective decisions?

Mr. Matt Wood: If we take the view that it's appropriate to invest in communities for the long term, then it may not be that comparing different providers is the right way to go. Maybe the approach ought to be that we strategically partner with a given community agency, invest in that community agency over the long term, and expect that community agency to improve its performance over that long term, whether it improves its efficiency....

There's a great example in the private sector. An analogy I would draw is that Wal-Mart sells its suppliers products and has fifteen-year agreements with its suppliers. It's not out there every year—or in this case every three years—trying to find a different supplier for the product it wants to sell. The approach at Wal-Mart is to say we want to work with these people for the long term, and we want it to be the most efficient and most effective product that we can deliver.

To adopt this paradigm for working with community agencies would be of huge benefit to all Canadians.

• (1155)

[Translation]

The Chair: Ms. Gagnon.

Ms. Christiane Gagnon (Québec, BQ): Thank you, Madam Chair.

In trying to understand how the calls for proposals were done in Quebec, I discovered that this budget was managed in Montreal, since it's managed regionally. Six projects were accepted under this new call for proposals. This call for proposals included new obligations, such as accountability and a process for explaining the completed project.

I thought a budget of \$500,000 was allocated to an organization, but I discovered that it was in fact a budget of \$89,000 to \$149,000, based on the type of project. Isn't the control we have to exercise over a grant of \$89,000 or \$150,000 excessive relative to the amount of money allocated to each organization? That's my first question.

I'd also like you to tell me more about your obligations under this new call for proposals approach. I was very surprised to discover that the *Chambre de commerce et d'industrie Thérèse-de-Blainville* received about \$100,000, whereas others received \$89,000. You say you're competing with other organizations and you don't know which ones were accepted.

How would knowing that help you deal with them more effectively, and how would that enable you to feel less competition, since only \$100,000 is being offered in this type of project in which you're involved?

The Chair: I want to be sure I understand what preceded your question. We're talking about projects of \$500,000 or more, and you're saying that, in that class of projects, the government can grant \$89,000. How does that fit in with the \$500,000?

Ms. Christiane Gagnon: That's what I wanted to understand. I called Mr. Saucier—the official who came to see us—to get the name of the Quebec organization selected because it's true that an amount of \$500,000 requires quite a bit of follow-up. That's when I learned that six organizations had been selected, of which there were two in Montreal, including the Montreal Design Institute, one in Longueuil, on the South Shore, and one in the Lower St. Lawrence region. These are organizations that received between \$89,000 and \$145,000. I have the details on that. A \$900,000 budget was therefore allocated among six organizations in Quebec, and I discovered after the fact that we had lost \$400,000 in the Quebec City region because of a new approach for this type of clientele, for integrating young people who have studied at the postsecondary level. That used to be managed differently.

The Chair: Ms. Gagnon, do you know whether each of the four organizations you referred to responded separately to the call for proposals?

Ms. Christiane Gagnon: Yes, there were separate projects.

• (1200)

The Chair: They were separate.

Ms. Christiane Gagnon: Yes, and I spoke to all those organizations, including the lady at the *Chambre de commerce et d'industrie Thérèse-de-Blainville*. We were thus able to see a bit of

the way in which those organizations operate in the context of this new call for proposals.

Everything is separated and managed regionally in Montreal. Before that, the regional branches of Human Resources Development Canada—in Quebec City, Montreal, Sherbrooke and so on—played that role. Now everything is centralized in Montreal. The regional directors of HRDC don't even know what happens to those budgets. They have no contact with HRSDC in Montreal.

The Chair: We'll continue on this point, but you asked Ms. Bélanger a question.

If you still remember the question, Ms. Bélanger, you may answer it.

Ms. Annie Bélanger: Yes, I remember it. In fact, I should say that \$100,000 is a lot of money for an organization such as ours. Control methods have always been similar. They didn't appear when the new program was created. There have always been progress reports, spending controls, spot invoice checks and so on. We're used to working that way, and we're comfortable with it.

However, what we find hard is what we had to do to get the \$100,000 grant. When I mentioned competition and the desire to get to know the other organizations, I was thinking of the previous period. Before getting the grant for our project, we had an idea. We got information on the new program and we changed our project to meet the program criteria. However, we didn't know that a number of other organizations had ideas as good as ours and that they were preparing this kind of project at the same time as we were. Since it was a call for proposals, the projects were all sent to the same place and evaluated on the basis of criteria we didn't know about, on which we hadn't really been informed. Was it a question of expected results? Was it a question of project cost? We didn't really know.

We would have liked to know which organizations had wanted to present projects because we might have changed ours. We would have worked in cooperation with another organization and prepared a project together, taking into account our respective objectives and the needs of our respective clienteles. That would have been even better and would have cost the same amount. That would have been preferable to having that organization's project rejected.

That's what I meant when I said it would be good to know the other ideas because organizations like ours have ideas, think of new services that might be good for the community. We often have what it takes for that money to be well invested, that is to say to implement the services at an affordable cost for taxpayers. However, if there is a lack of communication, as has been the case in the past, and each organization does its own little thing, its own project, I think everyone loses out. That's somewhat what I meant a little earlier. The idea isn't to find out what projects have been accepted, but to know in advance who has ideas. Rather than hurt an organization, couldn't two or three organizations join forces to implement their ideas?

I don't know whether that answers your question.

Ms. Christiane Gagnon: Have your management expenses increased since this new call for proposals was introduced? I would like to hear what you have to say on the subject.

Ms. Annie Bélanger: Management expenses for this project increased, at our request. Given the project's new operating method and new activities, we felt the project would require much more from our organization, which is the case. We nevertheless got what we asked for. I thought that was good.

Ms. Christiane Gagnon: Did increasing those management expenses penalize you by limiting your ability to incur other expenses?

Ms. Rosalie Clément-Jolette (Project Coordinator, Chambre de commerce et d'industrie Thérèse-Blainville): No, the project needs are well covered, whether it's hours worked, the support we get—I'm the coordinator—or the support from the organization. Those expenses are covered. Since the budget was obtained, the project has been managing itself very well for the 10 months it's been under way. All our financial needs are covered, which includes the number of hours of work, which was well estimated.

• (1205)

The Chair: Thank you.

Mr. Martin.

[English]

Mr. Tony Martin: Thank you. I'd like to ask each of the organizations that are here today if they were in fact consulted by Human Resources and Skills Development Canada before the February 16, 2004, announcement regarding changes to the funding criteria.

Ms. Anne Langille (Pathways Skill Development and Placement Centre): No, but that's the short answer. There was a process that was launched by the joint working group with the voluntary sector initiative. That's a group that worked together over about three years—representatives from national organizations, the Y, other groups—to talk about what was then going wrong with the relationship between the department and the non-profit sector.

These recommendations, however, came out as part of the infrastructure and didn't carry on to the actual program elements. The one side—the architecture and the audit trail—has been taken care of, or the assumption has been made that it's been taken care of, with these particular directives. What hasn't happened is the rationalization of the client group and where they're going to get services.

Mr. Tony Martin: Could I ask each organization to let me know if they were consulted?

Ms. Vicki Austad: From my perspective, I don't think “consultation” is anything that would apply to our relationship at that point with HRSDC. It was more, “this is the way it's going to be”; it's like a negotiation that isn't a negotiation.

[Translation]

The Chair: Ms. Bélanger.

Ms. Annie Bélanger: We weren't at all consulted about the changes either, and it took a long time for us to be informed, a very long time between the moment the government made the decision and when our Human Resources office was informed.

[English]

The Chair: Mr. Wood.

Mr. Matt Wood: We weren't consulted; we were told that the directives were coming down.

Mr. Tony Martin: This was referred to by Madame Langille. The voluntary sector accord speaks of a collaborative partnership with HRSDC, but anybody who was up early enough this morning heard CBC report that there was actually bullying, intimidation, harassment of agencies, and we heard about some of that here the last time we met. In written briefs, there's been reference to good HRSDC officials on the ground, but who were following marching orders from someplace else—there was something coming from someplace else. There are many references to a good relationship between HRSDC and the voluntary sector that has gone sour over the last couple of years.

What I'd like to ask, then, is what your experience has been in this regard in the past two years.

Ms. Anne Langille: I would say, first of all, coming from the small town of London, Ontario, that we actually have pretty good relationships with the staff at HRSDC. However, I think we share a certain level of frustration around the implementation of these directives and the effect on the organizations in the community, whether intended or unintended. There have been no intimidation tactics or bullying or anything else, but there is a sense that somehow there are going to be losses as a result of implementation of these directives.

I would go back again. I know we are focused here on the call for proposals, but our bigger concern—and it's something a lot more sinister, and the department folks we work with acknowledge this—is the lack of access to services as the result of the new employment assistance services directives. In our opinion, and I think the HRSDC folk in London might agree with this, this was a bit of a reverse process—that one should have been dealt with before the other.

• (1210)

The Chair: When you say there were going to be losses, do you mean because there were new criteria and some of the requests you were making would not fit these new criteria, or do you mean something else?

Ms. Anne Langille: Madam Folco, I think the issue is—and I understand it from a business standpoint—the department is trying to find symmetry between the legislation of 1996, which talked about access to services for EI, and reachback. The problem is, however, most of the programs being delivered, at least in Ontario—and of course we lack a labour market development agreement—have in fact been used to assist immigrants and newcomers, women, youth at risk, and persons with disabilities in a creative way that has allowed everyone to have access. It now seems the department is going to narrow that creative leeway they've been taking, and only folks who have a direct connection to the labour market are going to be eligible for meaningful programs.

We understand the social development arm of the department is going to be working on some of these employment programs as well. Our great fear, however, is that right now there are people dropping into a chasm, not a gap, in terms of being able to access services.

Ms. Vicki Austad: May I address the intimidation factor? I'd like to make one quick point before I say that. It is that many project officers within the office we relate to have reported frustration of their own. So it's not just in the community, but in the hearts of people who are trying to deliver the service.

The quick thing regarding our own personal experience is that our numbers, as I said earlier, were lower than they should have been. Our project staff got concerned about that and began questioning our project officer, who, in a 12-month period, made one visit to our organization and indicated no problem—no problem in September, no problem in December, no problem in January. Two weeks before our contract was up, we were informed that because our numbers were low, we were now on a six-month probation, and that if our numbers weren't going to come up, the program would be wound down. That's after 10 years of relationships with HRSDC.

The Chair: Mr. Martin, it's still your question, and you still have some time.

Mr. Tony Martin: I'd just like the others to respond to that.

The Chair: Madame Bélanger.

[Translation]

Ms. Annie Bélanger: We haven't had any problems. We have very good relations with the departmental people, and we haven't been intimidated. Things are going well, and we've only had positive comments to make since the project got under way.

[English]

The Chair: Mr. Wood.

Mr. Matt Wood: Thanks for your question, Tony.

My experience has been that many agencies are reluctant to have themselves named. I consulted with many agencies in preparing this brief, and many of them said, "Don't tell them it's us you're talking about". But in terms of direct intimidation, I'm not sure.

I think the problematic issue is that it's the relationship with the local civil servant that is the Achilles heel of the process. If, as in many cases, there is no relationship with the local HRSDC staff person, or if that relationship is a poor one, projects don't move forward; they're delayed, they're not funded, and that's problematic from the point of view of wanting objective assessment of projects. It's also problematic because if a project isn't going well, no one wants to jeopardize that staff relationship, so no one is very keen on bringing the news forward, or raising it up in the organization.

The Chair: Thank you.

Your time is up, Mr. Martin. You may get a chance on the second period.

Mr. Adams.

Hon. Peter Adams: Thank you, Madam Chair, and thank you all for being here. Thanks to our friend in British Columbia; we appreciate your being here.

I want to follow up on the point about the consultation before the directives. Okay, so there was little or no consultation; I heard that. Did you expect consultation? In other words, was that a change in attitude, or is it more or less what you'd expected from the previous period of time?

•(1215)

Ms. Anne Langille: Certainly, based on the voluntary sector accord signed between the government and the sector, yes, that's one of the hallmarks of implementation of new programs and directives—the consultation piece.

Hon. Peter Adams: Anyone else?

Ms. Vicki Austad: We did not expect any consultation.

Hon. Peter Adams: Thank you.

In other words, in the past you had not been consulted either. There wasn't a change. It was just that these directives came out. It was the way you had seen it operate in the past.

Ms. Vicki Austad: I would have to say business as usual, yes.

Hon. Peter Adams: Thank you.

[Translation]

Ms. Annie Bélanger: It was a surprise to us. We didn't expect to be consulted, and I think it's good that we were.

[English]

Hon. Peter Adams: I do accept that it's a good thing to be consulted. I'm trying to find out.... Do you understand my point?

Mr. Matt Wood: Yes. I think it was business as usual not to be consulted.

Hon. Peter Adams: What about since then? We've had witnesses from the department here before the committee, and they have said that since this time, not just with the calls for proposals but generally, they've been making considerable efforts to consult with organizations such as yours. Would you care to comment on that?

Mr. Paul Hubert: Let me add one comment to that, if I may. It's a good question because the new directives around EAS are not available to us. We haven't seen what they actually are, so people are actually writing proposals in a misty, foggy period where there's no clarity. So how did these new interpretations of what should be covered or should not be covered under EAS come to be?

I could use one example of trying to help a youth client who graduated in accounting. She worked as a clerk in a mall to pay for her schooling. We have some youth programs, youth internships, that are supposed to help people like her attach to the workforce in the area of their training. Those are not available to her, I'm told, because she's working 20 hours in the mall.

If we're going to compete in the 21st century as employers, we need skilled people. All of a sudden, there's a new definition. I've placed people like her previously, and it was the exact same program. But now it's interpreted in a different way.

Mr. Adams, there was absolutely no consultation on what those new interpretations are going to be and when they're going to be rolled out into the community. My staff found that out after they called the office, when they were already in the process with an employer looking to hire this person as an accountant.

Hon. Peter Adams: Is there anyone else?

[Translation]

Ms. Annie Bélanger: We haven't had any problems of that kind.

[English]

Hon. Peter Adams: And it hasn't been in consultation since.

Madam Chair, I should speak through you, I know.

Madam Chair, if anyone could reply, I'd be grateful.

The Chair: Mr. Wood is in the process of answering, so we'll let Mr. Wood have the time right now.

Mr. Matt Wood: Thank you.

There have been more meetings called by the regional HRSDC. The meetings I would not characterize as consultation. I would characterize them as "tell and sell", where they tell us what the new policy is, they tell us the new operating principles, and they try to sell it to us. But it's not a consultation.

The Chair: Madame Austad.

Ms. Vicki Austad: Yes, I would agree with Mr. Wood. The problem with it is that because we don't know what the rationale is for any new policy decisions, they seem at best capricious. Depending on who you talk to, that kind of unpredictability is very unsettling for staff and takes away from energy and time when we're trying to develop the programs and deliver the service.

Hon. Peter Adams: Thank you.

In the changes, Madam Chair, through you, there's this mandatory audit clause. I think it's for amounts over \$350,000. I understand the difference between an audit, which is the financial transparency, and what's being done in the assessment, so I don't want to get into that. Do you think that such an audit clause is appropriate? That would be one. Is the \$350,000 an appropriate threshold for it, and do you feel you get support from HRSD to cover costs associated with that audit requirement?

The Chair: Is the question addressed to anyone in particular?

• (1220)

Hon. Peter Adams: No, just look around. It's about the audit clause. I would like you to talk about it.

The Chair: Does anyone wish to reply?

Mr. Wood.

Mr. Matt Wood: Personally, I think it's an effective directive. I think it's appropriate. I have been told that HRSDC is funding it fully. I believe the threshold should be lower. I don't know why an audit wouldn't be performed on a \$100,000 project.

There's also an element of the audits that requires them to be done at nine months if it's a nine-month project. There's a strange clause that requires two audits within one fiscal year, which I find to be excessive.

Hon. Peter Adams: I see.

The Chair: Is there anyone else? Madame Langille.

Ms. Anne Langille: Again, I would agree with Mr. Wood. I don't personally have any issue with the audit clause.

Ms. Vicki Austad: And I would agree.

[Translation]

L'hon. Peter Adams: I understand.

[English]

The Chair: You can have another minute, if you wish.

Hon. Peter Adams: My other question is, then—and it may be unfair because some of you are umbrella organizations and some of you are very specific organizations—roughly what percentage of your business, your work, comes through HRSD?

Ms. Anne Langille: The organization WIL Employment Conventions is 82% funded through HRSDC.

[Translation]

The Chair: Ms. Bélanger, over to you.

Ms. Annie Bélanger: That represents one-third of our activities. We're a little office. One out of three persons is devoted to those activities.

[English]

Mr. Matt Wood: Just over half our members, 55%, receive significant federal funds. Our office doesn't receive any.

The Chair: Madame Austad.

Ms. Vicki Austad: Fundamentally, our whole organization is supported—I would say 80%—by HRSDC funding, both at the area level and nationally, through another project.

Hon. Peter Adams: Thank you, Madam Chair.

The Chair: Thank you.

We're now into the second round of five minutes.

Mr. Devolin.

Mr. Barry Devolin: Thank you.

I think there are two parts to this conversation. The first part is about what's happened up until now and how we got here. I'm new in this place, but it seems to me these programs existed and then there was a big scandal in Ottawa where money was spent that wasn't accounted for, so the message was sent down through the department to smarten up and make things more accountable. Bean-counting was the objective model used to quantify things, so the staff started to look far more at dollars and cents and forgot about the programs and how well they were working.

Anyway, I think that's where we are today.

I'd like to ask a couple of people a question, maybe starting with Paul. For just a minute let's stop talking about how we got where we are, and let's say you had the ear of the minister or the person who is actually in charge. What would you actually suggest we should do on a go-forward basis? What's a positive suggestion you can make in terms of how the government can fix this?

Mr. Paul Hubert: That's a key question because we have to look towards the future. One of the things we do need to do—and I would concur with my colleague Matt Wood's comment—is have consultation. We need to look at program evaluations and ask, what are the outcomes we want? What's the appropriate business model for service delivery for EI clients, for people who have no attachment to funding, and for people with disabilities? They're very different groups of people with different needs. I would say that would certainly be one thing.

Then, are we using best practices? I was trained in the whole area of program evaluation, and we don't evaluate based on outcomes. We don't say, where do we want to be, how do we get there, and how do we assess if this is doing what we said it would do? There's no one in our sector who has any problem with good program evaluation, but it's not just quantitative. You can sometimes get numbers and do very poor work in terms of helping people, providing them with dignity, and helping them move forward.

And we need these people. Our labour force needs these people.

• (1225)

Mr. Barry Devolin: Yes, and I think we appreciate that.

As a guy who actually comes from a small town, one called Haliburton, I took umbrage with your suggestion that London was a small town, but nevertheless....

Some hon. members: Oh, oh!

Mr. Barry Devolin: Do you have any positive suggestions that could actually work in a true small town or in a large city like London?

Ms. Anne Langille: We probably need to look at this issue at the macro level, and what I would hope—and I think our colleagues with the Employment Sector Council in London would share that hope—is that finally we might step back and develop a transition plan.

I think what's failed miserably here is the communication between the sector and the department.

Second, there was no plan; there's been no back-up plan for this. I think you were completely right when you said attendance to the accounting or audit function is a knee-jerk reaction by the department to prevent any future misuse of funds. I'd also say, sticking up for our sector, that very little of those funds went missing in the voluntary sector.

Hon. Peter Adams: You're absolutely right.

Ms. Anne Langille: But the plan is not there, and that's something we can do collegially. We assume everybody in government wants to ensure all Canadians who want to work are going to have access to programs.

Mr. Barry Devolin: Right.

Is there time for Vicki to answer?

Ms. Vicki Austad: I'm only going to do this if you say it's my turn.

The Chair: It's your turn.

Ms. Vicki Austad: If I had the ear of the minister, I would pick up on several things that my colleagues around the table have said in regard to fiduciary responsibility. It has been my experience over 15 years of doing this work and 10 years of running this organization that the focus has been on people getting jobs only. What happens then is people constantly recycle through programs, and we are forced to refer people here, there, and everywhere to try to get service, which in most cases is only superficial treatment of what is really going on for people.

We can get a person employed in some kind of a job for the requisite amount of time, but that is in no way indicative of the fact that they have achieved success and feel a part of and attached to the community.

[Translation]

The Chair: Ms. Bélanger.

Ms. Annie Bélanger: It's important to count on project continuity. Three-year agreements would enable us to develop projects more effectively. We also have to be able to evaluate the impact of those projects, not only in a quantitative sense, as is the case right now, but in a qualitative way as well. Mr. Wood referred to that in his recommendations. We have to know how young people—our clientele—have been treated and what they've gotten out of the project. The idea isn't just to determine whether they've gotten the job or not. In my opinion, our role with the youths of our community and with the businesses we help—they go together in our minds—goes beyond that.

The Chair: Thank you.

[English]

I now give the floor to Ms. Bakopanos.

[Translation]

L'hon. Eleni Bakopanos: Thank you.

Ms. Bélanger, I'm also in favour of long-term funding, but we have to be aware that, if we go off in that direction, new organizations which may have new ways of doing things or that are more creative, won't get anything if funding isn't increased. We have to take that into account if we enter into three-, four- or five-year agreements because that would create a moratorium for new organizations. We have to strike a balance, but I'm in favour of long-term funding.

[English]

I'd like to go back to the question—your suggestion, Mr. Wood—on the moratorium. Considering that it's been a year now since the calls for proposals have been in place, wouldn't putting on a moratorium cause further delays?

Any of you can answer the question, if you'd like.

I also would like to ask a second question, so I can get my questions in. You can answer them at the same time.

Is 30 days enough time for organizations to prepare for applications? I know it depends on the project, having worked in the volunteer sector for many years with Centraide Montreal. I know, depending on the project, depending how big the project is, it may take longer. But is 30 days enough, or do you have a suggestion? Should it be 60 days? Should it be other...or should it be flexible?

Also, should there be funding, not once a year, which I personally believe should not be the case, but over a period of a year? In other words, if a project comes up that is credible, that is creative, perhaps there should be some funds reserved during the year in order to fund that public project.

So those are my three questions. Perhaps Mr. Wood would like to begin on the moratorium question.

● (1230)

Mr. Matt Wood: The delays caused by the awarding of the call for proposals contracts are in the civil service. The delays are caused by lengthy decision-making processes at HRSDC. For example, I was talking to an agency in Sault Ste. Marie; they submitted a proposal in December, and have only heard in the last two weeks that they're having their contract extended for two months, because they haven't decided yet who won the proposal.

When we call for a moratorium, I don't think we're calling for a moratorium on the awarding of contracts; I think we're calling for a moratorium on evaluating the bids. Instead of evaluating the bids, right now we should be extending contracts significantly in order to allow time to evaluate the bids. Let's accept that it takes eight months to evaluate a contract, and let's extend contracts eight months in order to allow that time, rather than have a situation in which many agencies are faced with a one-month extension, and then another month's extension. You can imagine how staff start leaving. Staff start looking for other jobs, and clients are lost in these delays. It's very disruptive.

I have more examples, in numbers, of the sorts of impacts that are going on. An example is Gateway Cafe. They received a four-month extension, but they have a much smaller staff with which to continue their services. They have to cut back their after-hours services and cut off their weekend services, because they're working with sort of half a contract until they eventually lose their contract to a private provider. That's the sort of disruption we're talking about; extending full contracts would help alleviate that.

The Chair: Mr. Hubert, I believe you wanted to answer that as well, or Madame Langille?

Ms. Anne Langille: It's all relative, I think, in terms of the extension or the length of time to return a CFP, but Matt's point is very well taken, and that's part of this transition plan that I hope would somehow be implemented.

In Ontario we actually call for a moratorium on the double review process that has backed up proposals right through the province. Those are the ones not at the \$500,000 threshold; they are significantly below that.

The Chair: Madame Austad.

Ms. Vicki Austad: As I said before, if we didn't have to answer, and re-answer, and re-answer, 30 days would be fine. We started our contract negotiation in November and got approval of the contract

with the six-month limitation, as I mentioned, two weeks before the end of the contract. It's very difficult. As I said, this is ten years of relationship.

The Chair: Thank you.

Does anyone else wish to answer?

Hon. Eleni Bakopanos: Do I have more time?

The Chair: No, you don't, I'm sorry, but you may get a chance at another.

Madame Bélanger, did you wish to say something on this?

Okay, we're going to our third round, which will be of three minutes.

Madame Gagnon.

Mr. Tony Martin: Excuse me, I have a point of order. Don't you have to finish the second round before you move to the third round?

The Chair: We have finished the second round, Mr. Martin.

Mr. Tony Martin: No, you haven't. We didn't get a chance, and you have to go back to the Liberals again, too, as part of that.

The Chair: I'm sorry, that was my mistake. We are still in the second round, but it is at the chair's discretion. It is now 12:30, and this is why I've decided use the discretion of the chair to cut it down to three minutes, but we're still in the second round—my mistake.

Madame Gagnon, you have the floor.

[Translation]

Ms. Christiane Gagnon: Thank you. I want to go back to the call for proposals question. What is a call for proposals?

When an official came to tell us about what a call for proposals is, he gave us copies of the questions and answers so that we could understand. I just want to recall that it was written that the call for proposals process is a fair and transparent way that HRSDC uses to find interested and qualified candidates to carry out projects of \$500,000 or more.

It was clearly explained to us that these are projects of \$500,000 or more and that candidates must meet the criteria. That concerns the Career Focus Program. There's also the Skills Link Program for youth at risk. The Career Focus Program is intended for young postsecondary graduates so that they gain experience and get involved in the work place.

Are there a lot of projects worth \$500,000 or more? You say the instructions are hard to understand, that you don't really know what to expect. As a member of Parliament, I can tell you I understand nothing about this \$500,000 amount. It's a call for proposals worth \$500,000 or more. Do you have any calls for proposals worth between \$350,000 and \$500,000 or more?

I inquired around my riding, where we have more calls for proposals worth \$115,000 or \$120,000. Calls for proposals worth \$350,000, \$500,000 or more are very rare. I know that's it's less in Quebec. Do you have any calls for proposals worth \$500,000 or more?

• (1235)

[English]

The Chair: Who would like to respond—Mr. Hubert, or Madame Langille?

Ms. Anne Langille: Not \$500,000 per se, but certainly, yes, there are agreements in force in our community for \$300,000 or \$350,000. Really, it's not the value of the agreement; it's the cost of the service. It depends on what kind of service you're going to provide that will roll out the budget, as opposed to the budget driving the service.

In some cases we've been told, though, that if organizations have multiple agreements, and if the value of all of those agreements surpasses the \$500,000, all of those agreements then would be put out in a call for proposals. I haven't seen that happen yet, but we understand it's a possibility.

The Chair: I'll come back to this question.

[Translation]

I'll come back to this question, Ms. Gagnon. I believe we can do something.

Ms. Bélanger, first of all, do you wish to answer Ms. Gagnon's question?

Ms. Annie Bélanger: According to the instructions we were given when we filed our project application, we had to submit to the process, regardless of the amount. So we followed the same process. We filed a call for proposals document, as though the application had been made for a larger budget.

[English]

The Chair: Mr. Wood.

Mr. Matt Wood: In Toronto, there were 54 projects worth over \$500,000; 18% of them changed hands after the calls for proposals were awarded. So after proposing, 38 agencies won their contracts, but the other ones lost their contracts to other agencies—some private, some non-profit.

The Chair: Madame Austad.

Ms. Vicki Austad: I'm afraid I have no comment that would add anything more than anyone else has said.

The Chair: Thank you.

[Translation]

Ms. Christiane Gagnon: Are there any organizations that feel excluded, that aren't encouraged to file an application because they don't have any \$500,000 projects or even \$350,000 projects?

The Chair: Ms. Gagnon, I spoke to our researchers and I asked them to have, for the next meeting or the one after, a much more specific overview of the department's policy on calls for proposals worth \$500,000. How are calls to tender made? What does this \$500,000 amount mean? Is it given to a region and is it then divided up?

We'll have an answer to those questions this Thursday or next Tuesday. It's an important question, Ms. Gagnon. We'll have that answer.

Ms. Christiane Gagnon: Thank you. I'll hand the floor over to my colleague.

The Chair: Very well.

Ms. France Bonsant (Compton—Stanstead, BQ): Good afternoon. Thank you for being here.

I was struck by the fact that you had to redo your proposal four times, from what you said. Can you tell me what criteria changed, what forced you to redo your work? That represents quite a lot of work.

• (1240)

Ms. Annie Bélanger: In fact, the program changed along the way. It was during a transition period between two programs. We started when the Youth Internship Canada program was still in existence. We didn't want to go through the delays, so we started working on our project.

People at our local departmental office told us that the Youth Internship Canada program wouldn't be abolished. So we started working on our project. Ultimately, the program was altered and became the Career Focus Program. We filed our application, and the local office officers told us that it didn't meet requirements. It had to be modified accordingly. Other conditions were subsequently added.

Ms. Rosalie Clément-Jolette: Let me explain. At one point, we were told that the Career Focus Program required that the project be related to a specific sector of activity. So we had to completely change our project. We had previously been able to touch on all sectors of activity, but we now had to limit ourselves to a single sector. So that entailed a lot of changes, in the activities provided for in the context of the project and with regard to contacts with businesses. That amounted to a major change.

At another point, we were asked to rework the presentation of the schedule for the workshops we were offering. We had to do that and to explain the workshops we were going to offer in detail. The form we had proposed didn't meet the new Career Focus criteria. The second change represented a lot of work, even though it only involved replacing text with tables. That required an adjustment.

Ms. Annie Bélanger: There was nothing written about expectations; what was expected was quite vague. Requests came to us as we went along. We tried to meet them, since we had started the process. We thought that, if we couldn't get funding for the project, all that work would have been a dead loss. We also thought the project was important for our businesses and the young people in our region. We felt we had worked so hard on the project that we preferred to change it and do everything to have it accepted, particularly since we'd been told we had a good chance of winning. It was still a lot of work.

Ms. Rosalie Clément-Jolette: At one point, we had to...

La présidente: Excuse me, but I'll have to interrupt you.

[English]

Mr. Martin, you have the last word on this.

Mr. Tony Martin: Thank you.

I've been listening very intently this morning to the information that has been shared. I'm also integrating it with the briefs that I think all of us are receiving from organizations out there that recite a litany of micromanagement, such as community agencies interested in client outcomes, project goals, addressing emergency needs in community—we've had five or six briefs from the London area, for example—even the local HRSD staff, hands tied with little or no local input or local development in programs, and HRSD staff following orders from above on the budget, nickels and dimes, paperclips, and photocopies.

We've heard about the Centre for Skills Development and Training in Burlington, where the business of gathering detail is the business, it seems. We also have a brief from the Dryden-Kenora area in my part of the province, in northern Ontario. It would make you weep. It's an account of a process going on 14 months without a contract or decision—a huge frustration—for hard-to-employ youth, which is the target group, who still go without programs or support because we haven't been able to sort this out.

We've heard this morning that we should be evaluating not spending but, rather, effectiveness. I'm suggesting that we do both. We've heard the term “vague” in terms of the guidelines of what the expectation is. We also heard that communications have failed. The question I have is, why did they fail? We've also been asked this morning to do a wider evaluation or review of this whole effort.

Having said all that, and hearing the frustration in your presentations around trying to get on with the work that you've become very good at but are having a difficult time doing, I wonder what's driving this. What's underneath this, from your perspective? What is going on?

• (1245)

The Chair: Who is your question addressed to?

Mr. Tony Martin: To the witnesses.

The Chair: I think, Monsieur Hubert, you wanted to answer.

Mr. Paul Hubert: That's a very important question: what's the foundation behind this and where does it come from? Yes, there was a need to look at some of the accountabilities. But is it really about accountabilities? I know that staff times are often taking far more time in a dollar sense than is the issue they're dealing with.

I guess there are a couple of fundamental questions here, and I think it's a challenge for the government to wrestle with. How are we going to serve people in an innovative way, or are we going to serve people, and who are we going to serve? Underlying it, in my view—most of my work is with social assistance recipients, welfare clients, in the province of Ontario—is that I wonder if we're not trying to push people out a little bit and make it more restrictive so they can't participate. Maybe we didn't do that deliberately, but I'm asking the question myself, who is it we are trying to serve? Is it just people who have EI or is there a broader definition? And that requires our going back and looking at the Employment Insurance Act itself, does it not? So I think underneath there is a fundamental question about what kind of society Canada will be and who will HRSDC serve in the future.

The Chair: Thank you very much.

I think we've come to the end of the meeting. Let me say that we've very much appreciated hearing your testimony. It's very clear to the chair that there is a lot in common from the kind of experience that you have all gone through in applying for funds from HRSD. We've heard from other witnesses, as you know, and we have one more meeting on this, but certainly the number of recommendations we could make to the minister seems to get clearer and clearer, if I may say so, on the part of our researchers.

So once again, thank you very much.

Thank you, Madame Austad, for being so far away and yet being so present at the same time. I appreciated your coming all the way in from Vancouver in this way.

Thank you to everyone.

[Translation]

Thank you very much for coming from Sainte-Thérèse. We assure you our report will faithfully reflect what we've heard here today and on the other days.

[English]

We have a second part to our meeting, which is in camera. Thank you very much to our witnesses.

[Proceedings continue in camera]

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