



April 7, 2021

Submitted to the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities

RE: Review of the Employment Insurance Program

Dear Chair,

The Fisheries Council of Canada (FCC) fully agrees and supports the comments submitted previously by multiple business groups urging the need to renew a tripartite approach to improving the Employment Insurance (EI) program framework.

FCC is the national voice for Canada's commercial fisheries and processors. Our members include small, medium, and larger-sized companies along with Indigenous enterprises that process the majority of Canada's fish and seafood production and harvest a significant portion of the fisheries resources from Canada's three oceans.

Canada's commercial fisheries are essential and employ many Canadians that live near coastal areas. Approximately 90,000 Canadians depend on commercial fisheries for their livelihood which generates roughly \$8.8 billion in gross domestic product (GDP) for the Canadian economy. We are grateful to the Government of Canada for the various supports that have been put in place during the COVID-19 pandemic to reinforce Canadian businesses, along with your willingness and ability to adapt and pivot programs for businesses in response to our insights and advice. However, businesses throughout all sectors are concerned that consultations are not fully engaging business as they should be regarding ongoing and future changes to the EI Program.

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As a member of the Business Liaison Group, the role of EI Commissioner for Employers is vital in ensuring our voice representing employers is heard during consultations on the EI program. The vacancy in this position has and will severely hinder our ability to have an equal voice moving forward, especially at this point in time when there are so many issues at play caused in part to the pandemic. It is therefore imperative that there is an EI Commissioner for Employers appointed and on-boarded before any consultations commence in earnest. Further, any significant permanent changes to the EI Program that have potential cost implications should take place after the pandemic is over and we are firmly in a recovery period.

We understand as the pandemic has progressed that the federal government has made the effort to bring Canadians back into the EI framework that initially been situated outside the program due to the system being unable to support the initial heavy demand. However, we do not underestimate the financial and human resources challenges presented by the pandemic that will cause significant consequences down the road for the EI account and for future rates. The pandemic has caused many obstacles for our sector, such as increased cost of operations to meet COVID health standards for employees, and these obstacles will not likely be easily removed immediately following the end of the pandemic. We strongly encourage these factors to be considered in the upcoming years as the program goes through readjustments. It is important to highlight that, unlike other government programs, EI is entirely funded by employers and employees without any contribution from government revenues, and with employers contributing 1.4 times the amount that employees pay.

The Minister should proactively preserve the foundations of EI as a tripartite system and ensure ongoing engagement between the government, employer and employee representatives alike in major decisions and program design. Employers are projected to pay \$13.4 billion in EI premiums in the coming fiscal year, an amount rising to \$17.5 billion by the last year of the current fiscal forecast, based upon steady-state assumptions and not factoring in any new active uses or program redesign. For employers' financial health and for Canada's broader economic well-being, we believe that it is time for policymakers to reinvigorate tripartite discussions and oversight on the evolution of the EI program.

Sincerely,

Paul Lansbergen
President