



House of Commons  
CANADA

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

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HUMA • NUMBER 058 • 2nd SESSION • 40th PARLIAMENT

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**EVIDENCE**

**Tuesday, November 24, 2009**

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**Chair**

**Mr. Dean Allison**



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

Tuesday, November 24, 2009

• (1535)

[Translation]

**The Vice-Chair (Ms. Raymonde Folco (Laval—Les Îles, Lib.)):** Welcome to the Standing Committee on Human Resources, Skills and Social Development and the Status of Persons with Disabilities. This is Meeting No. 58 on Tuesday, November 24. On the agenda, in accordance with the Order of Reference of Thursday, November 5, 2009, is the study of Bill C-56, An Act to amend the Employment Insurance Act and to make consequential amendments to other Acts.

Before hearing our witnesses, however, I would like to extend a very warm welcome to the students from UQAM, where I taught courses a very long time ago.

Welcome to the House of Commons.

I would also like to commend our colleague, Tony Martin, for his presentation this morning and the motion that was agreed to by the other members.

[English]

Next, before we really start, let me ask you about a bit of business that we have to do. It won't take long. It has to do with the operational budget request. Actually, it concerns the people who are in front of us. They're here already, but we have to pay for their tickets.

I'm tabling the following motion before this committee:

That the proposed budget in the amount of \$7,600 for Bill C-56, an act to amend the Employment Insurance Act and to make consequential amendments to other acts, be adopted.

The proposed budget is \$7,600.

Is there any discussion?

Mr. Savage.

**Mr. Michael Savage (Dartmouth—Cole Harbour, Lib.):** If we deny this, does that mean they have to pay for their flights themselves?

**Voices:** Oh, oh!

**The Vice-Chair (Ms. Raymonde Folco):** It means that they go back and they don't get a chance to say anything.

Is there any discussion on this? I don't think there will be any.

Actually, it's for four witnesses to come in from Toronto—at \$1,500 each, would you believe—and for two witnesses to come in from Montreal, at \$300 each. It only costs me about \$30 when I drive up, but anyway....

Shall I call for a vote, or is this unanimous?

All in agreement?

(Motion agreed to)

**The Vice-Chair (Ms. Raymonde Folco):** Thank you very much.

[Translation]

We will have two groups of witnesses this afternoon. The first group is here with us until 4:30 p.m., and the second group will follow immediately.

[English]

I'd like to welcome, from the Canadian Federation of Independent Business, Madam Corinne Pohlmann, vice-president of national affairs; from the Certified General Accountants Association of Canada, Madam Carole Presseault, vice-president of government and regulatory affairs; from the Direct Sellers Association of Canada, Mr. Ross Creber; and from the Grain Growers of Canada, Mr. Richard Phillips, executive director, along with Madam Kristin Ego MacPhail, a Canadian Young Farmers' Forum representative.

You each have seven minutes to do your presentations. I suggest we hear from all of you first. Once you've made your presentations, we will go around to the various members on both sides of the table and give them time to ask you questions.

[Translation]

For the students—I think most of them are women—who are here this afternoon, I would simply like to point out that we have on one side the government members and on the other the opposition members, which means the Liberals, the Bloc members and the New Democrats.

[English]

Madam Pohlmann, you'll begin the presentation.

Thank you.

**Ms. Corinne Pohlmann (Vice-President, National Affairs, Canadian Federation of Independent Business):** Thank you, and good afternoon.

Thank you for the opportunity to be here to present the perspective of CFIB on Bill C-56.

Over the next few minutes, I'm going to walk you through a slide deck, which you should have a copy of.

You should also have a copy of a report called *A Nation of Entrepreneurs*, which uses census data to explore the prevalence of self-employment in Canada.

[Translation]

**The Vice-Chair (Ms. Raymonde Folco):** Excuse me, Ms. Pohlmann.

Mr. Lessard?

[English]

**Ms. Corinne Pohlmann:** Thank you.

You should have those two documents I'll be walking you through.

On the first slide, you'll see a little bit about CFIB. We represent more than 105,000 independently owned small and medium-sized business owners across Canada, all of whom are self-employed. Our members come from every region of the country and every sector of the economy. While all 105,000 members are technically self-employed, about 12,000 actually have no paid help.

According to the most recent labour force survey, which you'll see on the next slide, from Statistics Canada, there were over 2.7 million self-employed Canadians, which represents about 16% of the current workforce. The numbers actually went up since September, partially offsetting some of the job losses in that same month. In fact, there has been an increase of more than 100,000 self-employed Canadians in the past 12 months, which is an increase of 3.9%. We see this as good news, as many of these Canadians have opted to go out on their own, and it is from these enterprising individuals that new ventures and jobs will be created.

In fact, Canada, if you look at the next slide, has seen significant growth in self-employment over the last couple of decades, especially among those who are incorporated. The chart on slide 4 is drawn from the 2006 census, which shows that while there was an 8.5% increase in employees between 2001 and 2006, there was an 18.6% increase in the incorporated self-employed during the same period.

Who are these people? Today, about two-thirds of self-employed are men, and about one-third are women. Growth in female self-employment grew dramatically during the 1980s and 1990s, far more quickly than among men, but this pace of growth seems to have slowed somewhat during the first half of this decade. It remains healthy, though, with the growth of 8.4% among female self-employed versus 6.5% growth for male self-employed during the same period. This is all outlined in much more detail in the document *A Nation of Entrepreneurs*.

As you can see on slide 5, the greatest growth of self-employed is among those in the age group 45 to 64 years. This is partly due to the demographic shift in the boomer population, and partly because successful business creation often requires significant technical and management skills, as well as good networks often gained through

work experience. As a result, I would suggest that among the special benefits included in Bill C-56 there could be the option to access sickness benefits, which may be a greater attraction to the self-employed, given the age and demographics of this population and the difficulty for some of them to purchase private health care coverage.

So why do people do it? Slide 6 shows the results of a national public opinion poll of 900 small business owners and the reasons why they become self-employed. As you can see, the majority did it to take control of their own decisions. One-third did it for lifestyle choices, to better use their skills and knowledge, or as a path to financial freedom.

These results are not surprising when you couple them with the next slide, which shows that those who are self-employed tend to have the highest levels of job satisfaction. In fact, more than half said they found being self-employed to be very rewarding. Why am I sharing this with you? Because I want to make it clear that the vast majority of people becoming self-employed become self-employed because they want to, not because they have to. Recognizing this is important to understanding how they might approach the idea of accessing EI special benefits on a voluntary basis as proposed in Bill C-56.

We did in fact ask our members earlier this year about the concept of extending EI parental maternity benefits to the self-employed on a voluntary basis. Slide 8 outlines how the question was asked at the time, given how little we knew how about how this proposal would work. While the question focused only on parental maternity benefits, it did address the voluntary aspect of the bill, and therefore I believe it does provide a good indication of what Canada's self-employed may think about Bill C-56.

The next slide shows the results, which are based on more than 10,000 responses to this question. As you can see on the left-hand side, a small majority support the concept, 35% oppose it, 9% are undecided, and 3% have no interest in the issue. When we dissect the data further, we see strong support among female self-employed members, with 67% supporting the concept, and among the smallest business owners, with 60% of those with fewer than five employees also supporting it.

As a result of this member feedback, CFIB supports this bill and recognizes that it fills a gap among the self-employed to access EI special benefits when they choose to do so. However, it is essential that the program remain voluntary and that it meets its objective to be self-financed. These principles are key to CFIB's support of this bill.

It's very important for this program to pay for itself, as the general EI account is about to enter a period of steep premium increases come 2011. I do want to say that the current EI rate freeze, which is in effect until the end of 2010, has been a very welcome policy. It has allowed many business owners to hold onto their people during a difficult economic period. However, it has become clear that the government plans to charge back the two-year EI rate freeze to the EI account, which would require the new Canada Employment Insurance Financing Board to pay back an additional \$10 to \$13 billion to the government, with interest. The only way they can do that is through increasing EI premiums. As they are limited to annual increases of 15¢ for employees and 21¢ for employers, we foresee maximum premium increases for both employers and employees for many years to come, as illustrated on slide 10.

• (1540)

What makes this whole scenario even more frustrating is that there has been a \$57-billion surplus accumulated in the EI account from 1994 to 2008. We would have no objection to the government's requiring the CEIFB to pay for the additional EI costs as a result of the current recession if they would repay the \$57 billion surplus first. Instead, the new Canada Employment Insurance Financing Board was provided with \$2 billion as an initial reserve that, given the scenario I just described, will be easily wiped out in the first year.

We strongly believe that the federal government has a moral obligation to pay back the surplus accumulated from employers and employees. To do this, the government should absorb additional costs and maintain a premium rate freeze until the \$57 billion has been paid back over time.

Given this scenario, it would be unacceptable to add even more costs to the Canada Employment Insurance Financing Board by subsidizing Bill C-56 through the general EI account. Nor would it be acceptable for the self-employed to wind up subsidizing the general EI account, given the problems it currently faces. As a result, CFIB is calling for strong metrics and regular monitoring of the voluntary EI special benefits program for the self-employed, so that this does not happen. It should be accounted for separately from the general EI account, and premiums for the self-employed should be adjusted accordingly so that it remains self-financed.

In conclusion, the CFIB supports Bill C-56 as long as it remains voluntary and self-financed. There should be strong metrics attached to the program. This means that there should be regular reviews of its costs and revenues and that premiums should be adjusted accordingly, so as not to have it subsidizing the larger EI account and vice versa. We recommend that the bill be analyzed in the context of the skyrocketing EI rates that are coming in 2011.

Thank you.

[Translation]

**The Vice-Chair (Ms. Raymonde Folco):** Thank you very much, Ms. Pohlmann.

I will now turn things over to Ms. Pressault.

**Ms. Carole Presseault (Vice-President, Government and Regulatory Affairs, Certified General Accountants Association of Canada):** Madam Chair and distinguished members of the Committee, we thank you for giving the Certified General

Accountants Association of Canada the opportunity to add its voice to those of the many individuals and organizations in Canada that support Bill C-56, which provides for the payment of special Employment Insurance benefits to self-employed workers, that is, parental benefits and maternity, sickness and compassionate benefits.

[English]

Permit me to remind the committee members that CGA Canada represents 73,000 certified general accountants and students. You'll find our members and our students in industry, finance, government, and public practice. They are respected accounting and financial management professionals. CG Canada was founded over 100 years ago, and our role is to establish designations, certification requirements, and professional standards. We also offer professional development. We conduct research and advocacy and represent our members nationally and internationally.

Bill C-56 is an important piece of legislation for Canadians and for CGA Canada and its members. My colleague Madam Pohlmann has given an excellent description of the sector. We recognize the role that self-employed Canadians play in advancing investment, job creation, productivity, innovation, and expertise.

We know from the data that the numbers continue to increase. There are about 200,000 professional accountants in Canada, and approximately one in five is self-employed. Bill C-56 has a direct impact on this group of self-employed professionals, whether they're owners of accounting practices or other small businesses, consultants, tax advisers, management information technologists, or specialists in human resources.

• (1545)

[Translation]

In the past few years, CGA-Canada has seen a large increase in its membership, particularly women. Approximately 60% of graduates today are women. It is therefore perfectly natural from the standpoint of self-employed women, who face many challenges as mothers and in many cases the person responsible for taking care of their families, that our organization would take an interest in ways of improving the Employment Insurance regime and making EI benefits more accessible.

Our members were consulted a few years back, and the results showed that because they are not entitled to maternity benefits, self-employed women often wait to start a family because of their professional responsibilities. Others, meanwhile, wait until their children are grown to build their own career. And down the road, even though self-employed women cannot afford to take care of their aging parents, they have no choice.

Bill C-56 eliminates the difference between the families of employees and the self-employed, whereas everyone faces the same responsibilities and problems.

It is a question of equity. For the very first time, self-employed workers in Canada will have access to Employment Insurance and will have the option of contributing to the plan and receiving the same special benefits as those who are employed. This will enable them to meet their family responsibilities without having to make a choice.

[English]

CGA-Canada has long advocated on matters that are in the public's interest. Providing greater financial security and income protection to more individuals at this time is in the best interests of all Canadians.

We also believe that it's not just an issue of extending benefits to allow self-employed workers to opt into EI benefits; it's about making measurable improvements to the existing system so that these new entrants are brought into a strengthened EI system. But how do we accomplish this task? How do we improve the system and at the same time ensure that the framework is economically viable and does not place an undue burden on the government, employers, and employees who pay into the system? That is indeed a tall order.

CGA-Canada would be remiss if we did not offer a cautionary note. We understand that the government expects that the plan will be self-financing, although it can offer no guarantees since the program is voluntary and its sustainability depends on the uptake. In effect, this means that a deficit situation may be possible, or one that is less than break even. Some concerns have been expressed that this could put pressure on government finances and/or have a detrimental impact on EI premiums, where rates could increase.

*Madame la présidente* and members of the committee, thank you for your time this afternoon. We look forward to participating in the question-and-answer period.

**The Vice-Chair (Ms. Raymonde Folco):** Thank you, Madam Presseault.

I'll now give the floor to Mr. Ross Creber, from the Direct Sellers Association of Canada.

**Mr. Ross Creber (President, Direct Sellers Association of Canada):** Thank you, Madam Chairman.

• (1550)

**The Vice-Chair (Ms. Raymonde Folco):** I prefer Madam Chairperson, if you don't mind.

**Mr. Ross Creber:** I'm sorry.

Madam Chairperson and honourable members, on behalf of the Direct Sellers Association, I want to thank you for the opportunity to comment on Bill C-56, the Fairness for the Self-Employed Act.

I have with me today Lynda Rose, vice-president of sales and marketing for Mary Kay Cosmetics, and immediate past chairman of the Canadian Direct Sellers Association.

Since 1954, the Direct Sellers Association of Canada has established and upheld rigorous standards, ethics, and good business practices as the recognized voice of our industry. As an industry that connects more than 1.3 million Canadians to entrepreneurial opportunity and enrichment, we provide an assurance of member integrity and a foundation of trust for independent sales contractors and consumers.

Our 45 member companies, which include such well-known names as Amway, Mary Kay, Avon, and Tupperware, and their independent sales contractors market and distribute a wide range of products and services directly to consumers, usually but not exclusively in the consumer's home rather than in traditional retail establishments. Generally, these products and services are sold in the context of group presentations known as the party plan, or on a personal consultation basis. I know that some of you joined us last week at a parliamentary reception where many of our companies showcased their products and services.

Direct selling contributes significantly to the Canadian economy. Our labour pool includes some 3,900 permanent employees and, importantly for today's deliberations, over one million independent sales contractors who earned an estimated \$1.1 billion in income. In a socio-economic impact study conducted by Ernst and Young, the industry's total impact on the Canadian economy, when using an income multiplier, was in excess of \$1.56 billion.

The direct-selling industry is also a vital part of the small business sector in Canada, investing in entrepreneurial and human capital. Our industry has a tremendous capacity to create jobs and to promote entrepreneurial activity amongst Canadians.

We provide accessible business opportunities, with little or no investment, that are open to all Canadians, without any restrictions with respect to gender, age, education, knowledge, or previous experience. The socio-economic study I mentioned earlier also found that that 21% of direct sellers are high-school graduates, 49% have some college or university education, and 27% are college or university graduates.

People enter direct selling for a variety of reasons, including unemployment. The same study found that 11% of direct sellers were unemployed prior to entering the industry.

We are an industry where females play a major role, with 88% of direct sellers being women. Additionally, 81% are married, and 56% worked full-time and 15% worked part-time prior to entering the industry, with 12% representing more than one direct-selling company.

These are some of the reasons why the benefits that would be made available under Bill C-56 are important to us.

The capacity of our industry to create opportunities for self-employment has brought us to recent discussions with HRSDC. We are working with the minister and her department to ensure that these opportunities are available to all and especially to those on regular employment insurance benefits who are considering self-employment.

That is why we are so pleased to be here today to support Bill C-56. Any action to level the playing field between the employed and the self-employed is something we fully support.

It is premature for me to speculate on the potential level of participation we could expect, but we certainly anticipate that this would be appealing to our independent sales contractors should this bill become law. For those who do participate, it is because they will have made a determination that is right for them and for their circumstances. Having that choice available is critical.

Canadians who are self-employed, or those who are considering self-employment, will no longer have to accept that theirs is a lesser option. They can make the choice knowing there is support available for them, as there is for the traditionally employed. This can only be a positive step forward for the self-employed.

We applaud the minister for this measure and we applaud members from all parties who pledge to pass this bill without undue delay.

Thank you, Madam Chairperson.

**The Vice-Chair (Ms. Raymonde Folco):** Thank you very much, Mr. Creber.

We'll now move on to Mr. Richard Phillips of the Grain Growers of Canada.

**Mr. Richard Phillips (Executive Director, Grain Growers of Canada):** Thank you, Madam Chairperson, and good afternoon, members of Parliament and guests.

You'll be happy to know that I walked here from the market, so I didn't spend any money on your budget.

My wife Sally and I are originally from a farm at Tisdale, Saskatchewan, where we raised four sons. Currently I am the executive director of the Grain Growers of Canada, and I would like to thank you for the opportunity to be here to speak on this legislation.

With me today and sharing my time in well under seven minutes is Kristin, who is with the Canadian Young Farmers Forum, a member organization of the Grain Growers of Canada.

The Grain Growers represent approximately 80,000 grain, oilseed, and pulse producers from across the country. I would like to share some quick statistics with you and then comment on compassionate leave, while Kristin will talk about young farmers.

Of all farms in Canada, 70% have some off-farm income. There are over 200,000 farms in Canada today. If even 10% of those farms were to take advantage of increased benefits through this bill, that

could help encourage another 20,000 young families to stay on the land.

Another reality of life for all farmers is that we are a rapidly aging demographic. In fact, the average Canadian farmer is well over 50 years of age. For many farm families today, caring for our parents is an increasing responsibility. But in many rural communities there may not be access to home care or long-term care. If there is any kind of crisis, we are often called upon to provide short-term care, either in our homes, or we have to go to our parents' homes. In many cases, they're not in our community. Some farms are located quite some distance from a reasonably sized town. This can be very taxing to a family farm, as with one partner away the other has to carry the workload of the farm and provide care for the children.

At this time Kristin will share her thoughts from the perspective of a young farmer.

• (1555)

**Ms. Kristin Ego MacPhail (Canadian Young Farmers, Representative, Grain Growers of Canada):** Thank you, Richard.

Good afternoon, members of Parliament and guests. My name is Kristin Ego MacPhail and I would like to thank you for the opportunity to be here to share our thoughts on this legislation.

The mission of the Canadian Young Farmers Forum is to promote the exchange of ideas and to foster collaboration between the young and future farmers of Canada. One focus of our organization is to identify problems encountered by young people looking to become established in agriculture.

My husband Gary and I are young farmers from the Barrie area, where we operate a greenhouse, nursery, and farm market. We have two young children, Sadie, who is three years old, and Ewan, who is three and a half months. Gary and I are both fully self-employed on our farm.

I feel strongly that the extension of EI benefits, like parental and compassionate leave, is a step in the right direction to improving the quality of life for all farm families.

Many young people have moved and continue to move away from agriculture as a profession. One of the things my husband and I considered when deciding if we wanted to farm or not was what supports might be available to us. Gary left his job to join our farm full-time. At that point, we had to give up our access to EI benefits. This was a choice we had to make. We now look at our friends who are employed in other jobs, and when they started their families they had the opportunity to take time off work when their children were born.

On our farm, this program could allow one or both of us to take some time off and hire someone to replace us, even if only for a short term. Maybe not all young farming families would take advantage of this, but at least they would have the opportunity to participate if they chose.

Thank you again for the chance to be here, and I look forward to your questions.

**The Vice-Chair (Ms. Raymonde Folco):** Thank you very much. You may be away from your children, but it's for a good cause.

We'll begin the debate now with Mr. Savage, who has seven minutes.

**Mr. Michael Savage:** Thank you, Chair.

I don't have any debate, but I have a few questions.

I appreciate all of you taking the time, especially Ms. Ego—you've taken time away from your new one.

All parties so far have indicated general support for this bill. The idea of extending EI benefits to the self-employed makes sense. We've had some questions. I'm a little uncertain about the costing of this program. It's been very difficult to get any information out of the government. The minister indicates it's a voluntary program. There are many voluntary programs, but you still plug in numbers and get an estimate. The reason it's important is that the calculation of the premium combined with the uptake of the program has a big impact on whether it's going to be as self-sustaining as we and the minister are hoping.

That might cost money. Ms. Pohlmann mentioned this money isn't coming out of the consolidated revenue fund of the Government of Canada; it's not coming out of general revenues, it's coming out of the EI fund that has been designated as going over to this new EI financing board. It's only \$2 billion, and we're probably well over that now, because we've been going through a difficult economic time. There's already a draw on that. An extra five weeks of regular EI benefits was indicated for members. That five weeks was coming out of general revenue, but Bill C-50, which added an extra five to 20 weeks, will come out of the EI fund, and so will this.

After discussions with the officials the other day, they have given us a brief answer here today. If I read it correctly, it indicates that in the first year the fund will have a surplus of \$48 million, which makes sense. You have to pay into it for 12 months before you can join. In the first year there will be a net surplus in the fund. By 2014 there will be a \$78 million shortfall, if I'm reading this correctly. It could be more, it could be less, but it will have to come from the EI fund, which is a bit of a problem, because it's already very tight.

Ms. Pohlmann and perhaps Ms. Presseault, how much of a concern is that?

**Ms. Corinne Pohlmann:** That would be a major concern, given the state of the Canada Employment Insurance Financing Board account starting in 2011. As I indicated on one of the slides, we know that EI premium rates are going to be increasing dramatically come 2011. If we're adding yet another cost to the system, I think there would be less support for this, because it means everybody is going to be paying more, including the self-employed.

I think it's important that this be self-financed. I think there have to be ways we can look at it. I agree, we were skeptical about what the costs were going to be, and I recognize that it may not be easy to figure that out until you go through a process. It's unclear how many small-business owners who are self-employed are going to take up this program.

I agree. That would be a concern to us.

• (1600)

**Mr. Michael Savage:** Do you have anything to add to that?

**Ms. Carole Presseault:** I would just reinforce that this is the first time we've heard and seen these numbers, and it's certainly a concern to us to see that by 2014 we'd have quite a significant deficit of \$78 million. I think some of the things we could see this committee doing would be monitoring and reporting this on a regular basis and keeping tabs on it, because we need to know where we're going. It's surprising that the numbers are just coming out now.

I know the minister indicated in testimony here that it would be reviewed in about five years. I would suggest that five years may be too far down the road. I suggest we do a serious review in three years to be able to assess where we are at and what the future looks like.

**Mr. Michael Savage:** You share my concern.

Again, we want to support this bill. We think this could be a step forward. But it's very unusual to have a bill presented to Parliament and go through the parliamentary process up to this point without being given a cost estimate. It seems it was only because this committee insisted on some rigour to the numbers that we got that. I hope that won't be a problem. I hope we will have some regular monitoring.

We'll find a way to trigger that balance between premiums. As you know, the self-employed will be paying the same premium as employed people are. In essence, the government is picking up the employer premium. An employee is paying the full rate as a regular employee, but doesn't get access to regular benefits—only the parental, maternal, sickness, and compassion.

Mr. Creber, thank you for your visit to the Hill last week. I know all parliamentarians enjoyed meeting with the direct sellers. Much appreciated.

As you would know, to trigger benefits, there needs to be a \$6,000 income in the previous year. What percentage of direct sellers would make over \$6,000? Would it be virtually all of them, or a percentage?

**Mr. Ross Creber:** I'm glad you asked that question, because although we haven't surveyed our members specifically, based on a survey by the Direct Selling Association in the United States, about 26% of their membership would qualify under this particular—

**Mr. Michael Savage:** Would or wouldn't?

**Mr. Ross Creber:** They would qualify for that, because their survey was done based on those who earned over \$10,000, as opposed to earning over \$6,000. We feel that our numbers and demographics are very similar, so we believe that probably 25% of our membership could be eligible for this.

**Mr. Michael Savage:** So that's only a quarter of your membership.

**Mr. Ross Creber:** That's correct.



**Mr. Michael Savage:** I know a lot of people do direct selling part-time because it fills a need. My wife has been a direct seller in the past—and you may want to cover your ears, Ms. Rose—for Arbonne. I notice they are with the direct sellers as well.

So it only fits a need for about 25% of your members.

**Mr. Ross Creber:** The independent sales contractors, yes.

**Mr. Michael Savage:** For the grain growers, particularly Ms. Ego, if I could, in order to qualify for maternity benefits, as you know, you would have to pay 12 months in advance and then draw it. Then you would have to pay the \$1.73 rate for the rest of your life in order to have paid for those benefits. Is that a concern to you? Do you think that would be an issue for people?

**Ms. Kristin Ego MacPhail:** Yes. That is something that may be specific to agriculture, as well, because they say you don't put farmers into retirement, you put them out to pasture. That's because they don't leave the farm, they continue to work and work and work into sometimes much later years than other people would. So that might be a consideration, in particular, for younger farmers.

**Mr. Michael Savage:** And yourself, for example? You're a young person.

**Ms. Kristin Ego MacPhail:** I consider myself young. I'm 36.

**Mr. Michael Savage:** But it is an issue, I guess, when you know that you're committing yourself to paying a premium for the rest of your life for a benefit. I don't know how you get around that, but that would be a concern for people who are as young as yourself or younger.

**Ms. Kristin Ego MacPhail:** I think individuals in that case—and I have to admit I haven't had access to as much of the number crunching and what not as maybe some of the other members have—would have to look at their own situation and then see if it worked for them.

**Mr. Michael Savage:** Thank you very much.

• (1605)

**The Vice-Chair (Ms. Raymonde Folco):** Thank you.

Monsieur Lessard.

[Translation]

**Mr. Yves Lessard (Chambly—Borduas, BQ):** Thank you, Madam Chair.

I, too, want to welcome you and thank you for your input into this study of Bill C-56.

I see that all of your organizations are in favour of Bill C-56. Parliamentarians are also in favour, as you have seen. But it is important to determine whether the scope of this bill and funding for the bill are adequate.

My first question pertains to full Employment Insurance coverage. First of all, you looked at the possibility of benefits being paid where, for example, you are out of work, whether it is on a farm or as a self-employed person, in any respect. Would have wanted the bill to also cover benefits in cases of financial problems?

**Ms. Carole Presseault:** Perhaps I can respond first. When we discussed this matter internally, the issue was never raised; it was not a primary concern. As for our members, I cannot say whether they

support the idea of extending eligibility to all Employment Insurance benefits.

From a more practical standpoint, I have trouble understanding how such a program would work. It might be at odds with what really constitutes a self-employed worker, who has a great deal of autonomy and independence in terms of control over his or her work. So I think that I have more questions than answers.

**Mr. Yves Lessard:** Ms. Pohlmann, is it the same thing?

**Ms. Corinne Pohlmann:** I agree.

[English]

I agree with Madame Presseault. In concept, I think a lot of people would think it makes sense. But in practice, I don't think it's something that can work practically. I also think that many self-employed are very independent and they are controlling their own work so they can't necessarily.... Well, you can't fire yourself, I guess, is the ultimate word. You can't really lay yourself off. So I think in practical terms, it would just be way too difficult to manage.

[Translation]

**Mr. Yves Lessard:** I see you that you agree, so my understanding is that you are all more or less in agreement on that.

It is indeed very hard to get exact numbers concerning the real costs. We know that the government has free up some budget items by calculating that of the total amount of Employment Insurance premiums, there is \$4 billion that goes to the entire program for the four types of coverage. Of that \$4 billion, two thirds so to parental and maternity leave. The government therefore made that split in order to determine the contribution rate for the four programs, which is the same for all programs.

Would you have wanted the government to do something different and make a separate calculation, disregarding the general program? Do you understand my question?

Mr. Phillips.

[English]

**Mr. Richard Phillips:** We weren't asked or consulted on this, but I think our sense would be, certainly among the farmers, that maternity and paternity would be the big pieces. If you were going to participate in the program I think those are two key areas that you would be very interested in.

You can't predict when you're going to get sick. There are some things you can't predict. But if you are planning on having a family, I think that's something you can then look forward to and count on using.

There aren't often day cares and that around in rural communities, so this is one where I think the families would use it. You'd be able to stay at home and hire somebody to come in to backfill so you're not taking your baby out into the field with you all the time and trying to do the jobs that we do on farms.

• (1610)

**Ms. Corinne Pohlmann:** As I mentioned in my remarks, we also have not been consulted. We don't know. And the numbers that you mentioned, we have not seen before.

Our sense, though, given the demographics of the self-employed, is generally that they tend to be older. This, again, is just a sense, and we don't have anything to back it up, but I think that the sickness benefit component could also be quite attractive simply because of the older generation who tend to become self-employed and with the boomer population moving more into self-employment. Sometimes it can be very difficult, if you're older or you have a pre-existing condition, to access private health coverage, and this allows them another option out there. So I wouldn't be surprised if you do see sickness benefits also being something that perhaps some of the self-employed who may be past their child-bearing years would take advantage of.

[Translation]

**Mr. Yves Lessard:** That answer goes for everyone, is that correct?

Regarding the earnings needed to qualify for the program, the proposes an income of \$6,000 a year. Have you had an opportunity to analyse that way of becoming eligible and does that not create disparity between people who are paid a high hourly rate and those who earn minimum wage?

In Quebec, it is \$10 an hour, so it would take 600 hours to qualify, whereas a person who earns \$20 an hour will need 300 hours.

Do you not find that there is disparity that could be unfair to some people?

**Ms. Carole Presseault:** First of all, I would like to say that your questions are important and very relevant.

Truth be told, we would have looked at those issues in the context of a special group that was supposed to be set up for that purpose. We were caught a bit short, because the bill moved forward very quickly. We therefore feel the program which is not perfect, should go ahead, but we will have a chance to evaluate and study very closely at it unfolds.

However, your question about hourly wages does not really apply to certified general accountants in Canada.

**The Vice-Chair (Ms. Raymonde Folco):** Thank you.

I give the floor to Mr. Godin.

**Mr. Yvon Godin (Acadie—Bathurst, NDP):** Thank you, Madam Chair.

Welcome to you all.

[English]

I can't believe we're going to talk about EI and agree on it.

[Translation]

You are surprised by the numbers, which are coming in at the last minute. It is not easy to do an evaluation. We are being told that in 2014, the program will have a \$78-million deficit. If I am not mistaken, that is a concern for you.

What do you propose? Do you have any ideas? According to you, five years is too long. You therefore suggest a period of three years. The program is new, and we are exploring options, seeing what can be done. What else could be done to pay for the program?

[English]

**Ms. Corinne Pohlmann:** As I said in my remarks, we believe this is part of the process and has to be reviewed on an ongoing basis and adjusted. It should be reviewed more frequently than every five years. Because the self-financing component is such an important element of this bill, waiting for five years will probably be too long. Perhaps some sort of mechanism can be put into the system to allow them to monitor it on an ongoing basis or annual basis, and then adjust those premiums for the self-employed accordingly.

• (1615)

[Translation]

**Ms. Carole Presseault:** I proposed a period of three years, but that is a completely random number. There would be one year of contributions, and after two years, we might know where we are going. It will be important to take the pulse and study the issue closely to ensure that benefits are not paid at the expense of employers or workers who contribute to the other part of the program.

**Mr. Yvon Godin:** You are thinking of it as voluntary. Mr. Creber was saying that he wanted everyone to be treated the same. He wants the system to treat people the same. Other works have no choice. They pay and that is the end of it.

Would one solution be for it not to be voluntary? That way, more people would take part.

[English]

**Mr. Ross Creber:** We certainly are supportive of the opt-in component of this program. We haven't done a lot of study on the mechanics or finances of this program at this point. All of the people who represent our direct-selling companies are independent. They each have the same opportunity to create their own business opportunities, their own income. A lot of it's driven by their desire to do this, their abilities, and the time and energy they put into developing their own business.

**Mr. Yvon Godin:** I understand that, but you are saying we want them to be treated on the same level playing field, but at the same time it should be voluntary.

**Mr. Ross Creber:** I'm having difficulty with the question.

**Mr. Yvon Godin:** I thought you said in your presentation that you want the people to be able to get it because they want to be treated on the same level playing field as other workers and be able to get employment insurance.

**Mr. Ross Creber:** Right.

**Mr. Yvon Godin:** But the other is not voluntary for the workers, so they are not on the same level playing field. They have an opportunity to now get on it, which creates this deficit of \$78 million.

**Mr. Ross Creber:** If somebody chooses not to work or not to opt into this program, there shouldn't be any need for them to pay into the program. They're not being paid just to show up for work; they're not being paid to be part of an organization. When we talk about a level playing field, we believe that some opportunity should be available to these people. But they're not asking for employer contributions on this, because they're self-employed individuals. So is it fair to have them pay double the premium that an employed person would pay?

**Mr. Yvon Godin:** You were looking at double the premium, not having everybody pay, all the self-employed. I think in Quebec everybody pays into it, but I'm not sure. The self-employed pay a certain amount. Everybody pays into it and then everybody gets it. I don't know if it's enough.

[Translation]

On the other hand, regarding farmers, for example, what does that do? Of course, after maternity or paternity leave, there is still health insurance.

Mr. Phillips, you said that you did not think that one parent would take the baby to work in the barn or on the farm. That is why the parent would want to stay home or have someone else paid to do it.

When a person is sick, it is more or less the same thing. Don't you think? The person needs the same help. Farmers would be helped the same way. After you had your family, you could not use that help again. Everyone has to be treated the same way.

[English]

**Mr. Richard Phillips:** My children are a little older now, but I can remember when we were raising our children on the farm and we had four children under seven years of age. Our friends would be doing things and going places and it was all paid leave. My wife had to take two children to go somewhere, and I had to hold the baby while feeding the pigs. Trying to watch a baby while you're running machinery is quite dangerous, but we didn't have money to hire babysitters. In fact, there wasn't even day care available in our small town.

I think this will provide an important choice. It will provide an opportunity for the families that wish to participate. We see it as a good thing. Some people may not. A lot of farms have larger families, so maybe parents or grandparents can come to help. Some families will use their family to do it rather than belong to the program, but not all families have that choice.

• (1620)

[Translation]

**Mr. Yvon Godin:** I will tell you...

**The Vice-Chair (Ms. Raymonde Folco):** You time is up, I'm sorry.

**Mr. Yvon Godin:** Oh no.

**Ms. Raymonde Folco:** You will get another turn.

Mr. Komarnicki.

[English]

**Mr. Ed Komarnicki (Souris—Moose Mountain, CPC):** Thank you, Madam Chair.

I've been around here for a while, and it is somewhat uncommon to have the opposition parties agreeing that this is a good bill. They may quibble with a few issues. It's good to see Mr. Godin onside.

Coming from Saskatchewan, I like to hear the farming point of view. We have a good number of farmers. When I look at the statistics in agriculture, I see that most of the people in that area are self-employed. This is also true in construction and other areas. The labour force survey shows the number of males and females and how many are self-employed. So it wouldn't take a great deal of effort to figure out the exact cost.

Ms. Pohlmann said that two things were important, at least from her perspective. One was that the system remain voluntary. I take it that is a key component. It's important that it stay voluntary, even if it provides some difficulty in calculating the uptake and the actual cost. Would you agree with that assessment, Ms. Pohlmann?

**Ms. Corinne Pohlmann:** Yes, I would agree. I understand the government's intention to choose an employee rate, simply because it was a simple administrative way of doing it.

**Mr. Ed Komarnicki:** In fact, when you did the survey of your members, was there a general assumption that the self-employed would not be paying more than employees are now paying? How did you do that?

**Ms. Corinne Pohlmann:** We were only trying to test the concept at the time, rather than getting into details. We didn't ask about the details.

**Mr. Ed Komarnicki:** If you had said you should pay more than the employee now pays, or more than the employer now pays, I sense you would have probably had negative feedback. The idea is to be able to share in these special benefits without having to pay more than others are paying. Wouldn't you agree?

**Ms. Corinne Pohlmann:** Because it doesn't include regular EI benefits, it makes sense that they should pay less than the employer and the employee combined. However, I also think it is important that this be self-financed. That is the other important principle.

**Mr. Ed Komarnicki:** You would want to work toward that, but for now you're prepared to allow for some variables, given that you want people to have the opportunity to opt in or out.

**Ms. Corinne Pohlmann:** Yes, that's why it's important that it be reviewed at least annually.

**Mr. Ed Komarnicki:** You mentioned that \$50 billion went into general revenues during the previous Liberal government, for whatever purpose. We don't know exactly where that went. It went into general revenues. We know that. But the idea behind the Canada Employment Insurance Financing Board was that surpluses would not go into general revenues. Generally, the premiums would equal the benefits. Conceptually, you would say this is a good thing for your organization and others.

**Ms. Corinne Pohlmann:** Absolutely, and it's something we've been advocating for a long time.

**Mr. Ed Komarnicki:** If you had surpluses, they would eventually reduce premiums. If you had more benefits than you had premiums, you'd have to increase the premiums. It would be self-financing and that's the concept.

**Ms. Corinne Pohlmann:** That's the concept, but there should be a bit of a reserve, considering the existing surplus.

**Mr. Ed Komarnicki:** There was a \$2 billion reserve set there. That is a fair principle to start with, would you not say?

**Ms. Corinne Pohlmann:** It's a start. However, there is another \$55 billion out there that should be—

**Mr. Ed Komarnicki:** I hear that, and it's gone to wherever it's gone.

The EI premiums have been frozen for two years during this economic uncertainty. That was good policy, I'm sure you'll agree.

**Ms. Corinne Pohlmann:** Yes, that was a good policy during a difficult economic time, and it should have been part of the stimulus measures that were put forward by the government.

**Mr. Ed Komarnicki:** We have the mechanics of it. The economy will dictate how the premiums stack up to benefits and what we do to provide benefits. Would you agree?

**Ms. Corinne Pohlmann:** Can you repeat the question?

**Mr. Ed Komarnicki:** Whether the economy is doing well or going into recession will impact what we get for revenue.

• (1625)

**Ms. Corinne Pohlmann:** Yes, I would agree.

**Mr. Ed Komarnicki:** If the revenue is less than the benefits, eventually that will have to be made up, and this balancing act will have to take place on a year-to-year basis.

**Ms. Corinne Pohlmann:** You mean under Bill C-56?

**Mr. Ed Komarnicki:** I mean for all EI claims and benefits.

**Ms. Corinne Pohlmann:** Yes, but on the general account there is some money owed to employers and employees.

**Mr. Ed Komarnicki:** Putting that aside, principally it's set up the way you'd like to see it work, right?

**Ms. Corinne Pohlmann:** Yes, it is.

**Mr. Ed Komarnicki:** Thank you.

I'll pass to Mr. Cannan.

**The Vice-Chair (Ms. Raymonde Folco):** Mr. Cannan.

**Mr. Ron Cannan (Kelowna—Lake Country, CPC):** Thank you, Madam Chair.

Thank you, witnesses, for sharing your experiences and taking time out of your self-employed busy life to offer some words of wisdom about the pleasure of being self-employed and the challenges you face.

I've been married just over 25 years. We had a grocery store and a gas station. I remember my wife worked right up to her delivery date, opened the store, went to the hospital, and had a baby. These are the things people do when they're self-employed. I respect the fact that it's something our country has been founded on—the values of strong families. On the commitment our government has, I'm glad to see we're delivering.

Your testimony was about leveling the playing field, equity, and fairness. Small business is the economic engine that drives the economy. I represent a beautiful part of British Columbia in the Okanagan Valley, and we have a lot of small-business farmers in the agriculture industry. At least 70% work off-farm to keep the home fires burning.

I'd like to wish your Rider team good luck this weekend, an occasion for Rider pride.

As to farmers, do you have any idea from your experience with the farming community whether this legislation will help keep farmers and families on the farm?

**Ms. Kristin Ego MacPhail:** I think it's a step in the right direction. Owing to other commitments of mine, I haven't had a chance to fly this by organizations. Our Canadian Young Farmers Forum will meet soon, and this will probably be one of the issues we'll discuss.

The general feeling has been positive. The opportunity is important to us. It will put us on a more level playing field with our colleagues in other professions.

**The Vice-Chair (Ms. Raymonde Folco):** We've come to the end of the presentation of this panel. I'd like to thank everyone.

Madam Rose, you haven't had a chance to say much. Do you wish to add anything?

**Ms. Lynda Rose (As an Individual):** Some 88% of our associate members in the Direct Sellers Association are female. For 81% of the members, this is an important bill. They will have the option to take advantage of this opportunity. For women it's a great opportunity, and we appreciate being a part of it.

**The Vice-Chair (Ms. Raymonde Folco):** Thank you. And now that we have a budget to send you home, have a happy journey home. Thank you so much.

We'll move to our second panel.

• \_\_\_\_\_ (Pause) \_\_\_\_\_

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• (1630)

**The Vice-Chair (Ms. Raymonde Folco):** I'd like to welcome, as the second group of witnesses, from l'Alliance des artistes canadiens du cinéma, de la télévision et de la radio, Madame Ferne Downey and Mr. Stephen Waddell; from the Canadian Auto Workers Union, Madame Laurell Ritchie; from the Canadian Dental Association, Dr. Don Friedlander, president and doctor—that's interesting, president and doctor, and Mr. Andrew Jones, director of corporate and government relations; and from le Congrès du travail du Canada, Madame Barbara Byers, executive vice-president, and Mr. Andrew Jackson, chief economist.

We will begin with the Alliance of Canadian Cinema, Television and Radio Artists. Who will speak? Will both of you share your time?

You have seven minutes altogether. That's why I wanted to get started as quickly as I could.

Madame Downey, please go ahead.

**Ms. Ferne Downey (National President, Alliance of Canadian Cinema, Television and Radio Artists):** Thank you.

Good afternoon. My name is Ferne Downey. I'm a professional actor and the elected national president of the Alliance of Canadian Cinema, Television and Radio Artists. I'm joined by my colleague Stephen Waddell, who is ACTRA's national executive director. Thank you for inviting us here today to bring you the concerns of the 21,000 members of ACTRA who live and work in every corner of our country.

We are English-speaking workers and artists whose performances entertain, educate, and inform Canadians and global audiences through every medium—film, television, radio, and digital media. Canadian culture stimulates our economy, contributing more than \$85 billion. That's 7.4% of Canada's real gross domestic product and more than 1.1 million jobs. Our Canadian film and television production industry puts \$776 million in salaries and benefits directly into the pockets of Canadian workers and added \$5.2 billion to our economy last year.

However, as is the case with many cultural workers who are self-employed, our ability to access benefits available to other salaried Canadians is very limited. The majority of ACTRA's members are among the 2.6 million Canadians who are self-employed and therefore have not been entitled to basic benefits provided through employment insurance. ACTRA has been fighting for many decades to get governments at all levels to recognize that our members, like all self-employed Canadians, deserve the same rights and access to benefits as other workers.

Allow me to describe for you for a minute what happens when our members fall outside this important social safety net. Women stunt performers often stop working once they show signs of pregnancy, which in many cases is well before the three-month mark. Their loss of income for the duration of the pregnancy can cause great financial hardship for their family. In other physically demanding professions

such as being a police officer or a firefighter, you just get a desk job while you're pregnant, but no such option exists for stunt performers.

No access to sick leave means actors stay working on a TV series, concealing health problems and putting their health at risk, rather than take time without income; or an actor with a 30-year career finds himself in treatment for cancer, an undeniably stressful situation, with no income.

No compassionate leave means that caring for loved ones, especially at the end of their days, is simply not possible.

For actors, a long run in a series can be followed by a dry spell of equal length. Actors whose names are revered in the world of television and film may continue to supplement their incomes by equally lucrative careers...as caterers.

Living close to the edge year in and year out takes its toll. Truth be told, if it weren't for those incredible moments that occasionally grace the life of an artist, there would be no artists at all.

All we ask for today is to be given a footing equal to other Canadian workers.

I now turn to ACTRA's national executive director, Stephen Waddell, for some details on how one could improve Canada's EI system.

• (1635)

**Mr. Stephen Waddell (National Executive Director, Alliance of Canadian Cinema, Television and Radio Artists):** On November 3 we were pleased to see the human resources minister, the Honourable Diane Finley, table a bill to extend various EI benefits to self-employed Canadians. If passed, Bill C-56, the Fairness for the Self-Employed Act, would extend special EI benefits, including maternity, parental, sickness, and compassionate care benefits to the self-employed. Our members, like millions of other self-employed Canadians, have to date been denied access to these benefits.

Let me be clear. ACTRA believes this is a positive first step by the federal government, but it is simply that, a first step. Although the proposed changes are not as robust as the benefits currently available to Canadians eligible for EI, ACTRA is calling on all parties to support the extension of special EI benefits to self-employed Canadians. We also urge MPs from all parties to take other suggestions we'll present here today into consideration to ensure that all Canadian artists are able to fully contribute to and benefit from the Canadian economy.

According to the new legislation, self-employed Canadians who opt into the EI program would be eligible to receive the same special benefits currently available to salaried employees, but there are differences in eligibility that deserve further consideration. Under Bill C-56, access to these special EI benefits will be voluntary. Participants must have earned at least \$6,000 in self-employed earnings and must opt in for one year before making a claim. This differs from the current EI program, which provides benefits if claimants meet the equivalent of 17 weeks of full-time work, or 600 hours.

Furthermore, the cost of these special benefits will be borne by the participants themselves rather than a joint employer-employee contribution, as is the case with the regular EI program. To ensure the viability and strength of the plan in the future for self-employed workers, we believe producers should also contribute. Other models exist in Canada that demonstrate how to provide these benefits to self-employed workers in an equitable manner. The Quebec government has already set up the parental insurance plan, which provides maternity and parental benefits for self-employed new parents in that province. The Quebec program differs from the federal EI program in that benefits are higher, maximum insurable earnings are higher, there is no waiting period, and participation is mandatory.

We urge the committee to further study the Quebec model to garner ideas about how both self-employed and salaried workers can obtain stronger benefits. We also urge the committee to further help Canadian artists balance career and family life by extending regular EI benefits to self-employed Canadians, regular EI benefits or payments received when a worker loses his or her job. We recommend that once Bill C-56 is passed, a panel of experts should be established to study how to improve both the special benefits afforded by the legislation and move toward self-employed Canadians' eligibility for regular EI benefits.

**Ms. Ferne Downey:** We urge all parties, especially considering the current economic slowdown, to work together to ensure that self-employed Canadians, including artists, are able to contribute to and benefit from the EI system. We must harness the full economic potential of this important industry by supporting the very creators themselves and make sure that we are on an equal footing with other Canadian workers.

Thank you very much, Madam Chair. We'd be happy to answer questions when it's appropriate.

• (1640)

[Translation]

**The Vice-Chair (Ms. Raymonde Folco):** I now turn the proceeding over to Ms. Laurell Ritchie.

[English]

**Ms. Laurell Ritchie (National Representative, Canadian Auto Workers Union):** I'm here on behalf of the Canadian Auto Workers and our president, Ken Lewenza. We thank you for this opportunity. CAW is the largest private sector union in Canada and represents a wide range of workers, not just auto, but hospitality, airlines, retail, stores, aerospace, etc. We come from a wide-ranging membership.

We're glad to see the government has expansion on its mind, and we've certainly always advocated for the kind of Quebec parental

insurance program that provides coverage for the self-employed, but we believe significant amendments are needed to C-56 before it is passed into law and that consideration of Bill C-56 should be suspended until the government has appointed, made public, reviewed, and considered the report from a panel of experts, as was promised.

We are collectively the guardians of a program that was born in the depression of the 1930s. It has been a constant struggle for workers to maintain and expand that program. We take that guardianship seriously, and we need to ensure, even as we expand the program, that we are not undermining social insurance principles, that the financial integrity of the EI program is protected, and that it does not undermine or jeopardize the EI program for payroll employees by setting dangerous precedents, such as voluntary participation, or through the underfunding of new benefits so that additional costs end up being shouldered by payroll employees.

We have to ensure that C-56 delivers and provides sustainable benefits for the self-employed. The risk to sustainability certainly increases with the addition of sickness and disability benefits. There are very big questions about what this does to the projected \$24.8 billion EI account deficit by 2014, as estimated by the parliamentary budget officer, short of very significant premium increases. We need to make sure this does not encourage employers to create more forced self-employment and even phony and false self-employment, which we see frequently in certain sectors, from call centres to trucking. Finally, for us, we need to ensure that it does not distract us from the much larger task we have in front of us, which is fixing EI.

In summary, we need to preserve the integrity of the EI program and basic social insurance principles, which include mandatory participation. The opt-out provision encourages what in insurance terms is called adverse selection, which I'm sure you've heard about before. Raising the premium will not solve the problem of people self-selecting in who consider themselves likely to collect benefits, because in doing so the raised premium will make this even more unattractive to more people who know they have a low risk of claim.

The proposed lock-in—that is, once registered you need to maintain those premiums—doesn't solve this problem, because we are still not pooling the risk over the entire self-employed population, but only with other payroll employees. The standard method of reducing adverse selection in insurance programs is to make the purchase of the insurance compulsory, as is done in Quebec. Again, we want to reiterate that the Quebec model is, as ACTRA and others have mentioned, the model that people had assumed would be put forward in this bill, but that is not the case.

• (1645)

We want to make sure that we have a good program design. We're not sure that we have a workable program and sustainable benefit provision for the self-employed. We know from experience that badly thought out program design comes with a heavy price. Benefits can be there in theory but not in practice.

Some examples.... The compassionate care benefits are well intentioned but still, many years after, very few people can claim, given the conditions for them. The EI hours system, to go back even farther, was sold similarly on the promise of new coverage for part-time workers, when in actuality it has diminished their entitlements, and some would say it was more of a premium grab. More recently, the long-tenured-worker training program, the SITI, and the EEITI, which extended EI benefits, are not working. HRSD officials have confirmed that as of October there is less than 1% of the funds set aside in the stimulus bill that is being accessed in the province of Ontario. Then finally we have the very poorly and badly designed funding of EI, the changes that were made most recently to a pro-cyclical funding model instead of a counter-cyclical model, so that we are no longer paying in the fat years, if you will, for the lean years. Indeed, we end up lowering premiums in good times, which is going to mean very big premium increases, regardless of what happens with this bill, after 2010.

By all accounts, and having read the blues for this session, the sick benefit and compassionate care benefits were pretty much an afterthought, based on focus groups and surveys where the costs and qualifications of the program don't even seem to have been presented to the participants. Earlier Statistics Canada studies have shown a much smaller interest group when the actual conditions were presented to people.

The last point I want to make here is we have to ensure that the program is no more advantageous—if we can use that word advisedly—than it is for payroll employees. As one example, if you take a look at proposed subsection 152.03(3), it says that earnings will be deducted from EI benefits if the person receives those earnings during a period claiming EI benefits. The test in fact for payroll employees is paid or payable, so a delayed payment is still allocated retroactively. This is an important point when we're talking about the self-employed.

As business commentator Michael Hlinka pointed out on a CBC program, people will make the calculations, people will arrange for bills, certain categories of the self-employed will be in a position to make arrangements with clients to delay bills. Some categories of the self-employed are uniquely in this position, so we find it disturbing that it is the term “received”.

Further on the same point, in proposed subsection 152.18(2), which talks about other earnings during a period when a person is in receipt of EI, it says 25%. In fact, the pilot projects that exist apply now in all areas, so the law says 25% but the pilot projects would provide it at 40%. It says that it applies there to all of the benefits encompassed by this legislation. This contradicts the testimony that the two lead HRSD officials gave—and I'm sorry if I'm mispronouncing their names—Vermaeten and Beauséjour. In the blues again, at 17:15, they stated the rules that apply to payroll employees, i.e., these funds are deducted from both maternity and from sick benefits, though a different formula applies to parental, would be the case here for like treatment.

We have a lot of questions of this kind. This needs to be dealt with before the bill is passed, not after.

• (1650)

**The Vice-Chair (Ms. Raymonde Folco):** Thank you very much. You brought up some important points.

I don't think you gave us a copy of your presentation, did you, Madam Ritchie?

**Ms. Laurell Ritchie:** I gave rough notes; they're not translated.

**The Vice-Chair (Ms. Raymonde Folco):** Since they're in English only, for the benefit of the members we'll have them translated and then we'll circulate them among the members.

Do these rough notes include those particular examples that you gave at the end of your presentation? They seemed to be very specific, and I think it would be important for us to have them.

**Ms. Laurell Ritchie:** Yes, I did, the one example, but as you know, this is very detailed, and I only uncovered that last point on the plane on the way here, so I will send the note to the clerk.

**The Vice-Chair (Ms. Raymonde Folco):** Yes, send them to the clerk, please. We'd really appreciate that.

Thank you so much.

Dr. Don Friedlander of the Canadian Dental Association, please.

**Dr. Don Friedlander (President, Canadian Dental Association):** Madam Chair and committee members, good afternoon and thank you for inviting us to participate in your study of Bill C-56, the Fairness for the Self-Employed Act.

I'm Don Friedlander, and I'm president of the Canadian Dental Association. I'm a general dentist who happens to practise a mere few blocks away from where we are in the West Block.

**The Vice-Chair (Ms. Raymonde Folco):** Is that an advertisement, Dr. Friedlander?

**Dr. Don Friedlander:** Absolutely. I'll give you my card afterwards.

With me is Andrew Jones, our director of public affairs from our office, also here in Ottawa.

The Canadian Dental Association is the national voice for dentistry, dedicated to the advancement and leadership of a unified profession and to the promotion of optimal health, an essential component of general health. That's a mouthful, but what it really means is that our association is focused on building a stronger profession, nurturing a more collaborative dental community, and supporting a healthier public. We accomplish these three priorities through knowledge and advocacy, and it's primarily our work on advocating for a strong profession and supporting a healthier public that brings us before you this afternoon.

The CDA supports Bill C-56 and encourages this committee and the Parliament of Canada to pass it as expeditiously as possible. We have two key reasons for supporting this legislation. First, establishing maternity and family leave benefits for self-employed Canadians has been an advocacy issue of ours for a number of years. We have included it as a recommendation in our submission to the House of Commons Standing Committee on Finance's pre-budget consultations, and we've raised it during our regular meetings with policy- and decision-makers here on Parliament Hill.

It might surprise you that we would be a vocal advocate and supporter of extending maternity, parental, sickness, and compassionate care benefits to self-employed Canadians, including dentists. The reality is that the dental workforce and private practice environment is changing. We believe these proposed measures will make our profession more desirable to a greater number of young people who might consider dentistry as a career.

For example, we believe this act will allow a greater number of younger dentists to alter their practice style by making it easier to balance practice and family. Therefore, they can stay more involved in practice during their years of childbirth and raising young children. One of the workforce changes is that many of our new members are coming to the profession with a much different perspective and different needs from those who have come before. Our dental schools are graduating a majority now of female students—58% in 2008—and we believe it's important to allow our new dentists, whether male or female, who are bringing a fresh perspective on work and life balance to the practice of dentistry, to have the opportunity to participate in this program.

In addition, while our profession thankfully does not have provider shortage challenges like our medical colleagues, this is an issue we're watching closely. We're receiving signals that it's becoming more and more difficult to attract new dentists to practice settings in rural and remote areas in Canada. So, again, having the option to join this program may be a positive factor that allows younger dentists to locate to rural areas, alter their practice style from what we would refer to as a full-time traditional model, but still service the area with high-quality dental care that Canadian dentists provide and our patients have come to expect.

Our second key reason for supporting this legislation is its voluntary nature. We believe that the majority of current established dentists will actually not join the program, and if it were compulsory many of them would see the premiums as an unfair and unnecessary tax on their practice that will lead to no individual benefit and simply

increase the cost of providing services. We're confident that we would then be sitting before you today asking that the legislation be amended to apply it in a voluntary manner. So we support the fact that it is voluntary.

In closing, Mr. Jones and I thank you for the opportunity to bring the voice of Canada's dentists to your deliberations in support of Bill C-56, and we look forward in a few minutes to responding to any questions you may have.

Thank you.

•(1655)

**The Vice-Chair (Ms. Raymonde Folco):** Thank you so much, Mr. Friedlander.

Now, Madam Barbara Byers from the Canadian Labour Congress.

**Ms. Barbara Byers (Executive Vice-President, Canadian Labour Congress):** Thank you, Madam Chair.

I'm pleased to be here in front of the committee again on behalf of the 3.2 million members of the Canadian Labour Congress, workers in virtually every occupation in communities all across this country.

The CLC has long supported the provision of special benefits—maternity/parental/adoption benefits, sickness, and compassionate care—through the employment insurance program. Those benefits now make up an important part of the Canadian income security system. Maternity and parental benefits allow working parents, especially women, to better balance the demands of work and family care, helping equalize labour market outcomes between women and men while also contributing in a central way to the well-being of very young children. Sickness benefits provide an important income cushion to cover an involuntary absence from work of up to 15 weeks.

The CLC welcomed a major expansion of maternity and parental benefits in 2001, when parental benefits were increased from 10 to 35 weeks, bringing the total leave period up to one year, counting the two-week waiting period. Given the fact that a significant and rising proportion of all labour force participants, not least women, are self-employed, and that the trend to self-employment may continue, it's important that self-employed workers be given access to many of the same protections and rights provided to employees where this is feasible and appropriate. We believe that it is both fair and feasible to provide access to maternity and parental benefits comparable to those of employees.



We strongly support the principle of extending maternity and parental benefits to self-employed workers, but this must be done in a manner that is consistent with the basic principles of a social insurance program. A basic principle of social insurance is that participation is mandatory, so that costs are pooled across the workforce. The labour movement welcomed the introduction of the Quebec Parental Insurance Plan in 2006 as a progressive step forward that greatly improved access to, and the level of, maternity parental benefits for all Quebec workers, and also extended these benefits to the self-employed. In our view, Bill C-56 falls well short of the Quebec model. It does not improve access to or the level of maternity/parental benefits for employees, and it extends coverage to self-employed workers in a different and inferior way. Under the Quebec plan, all self-employed workers must pay into the program. Coverage is mandatory, as it is for employees, and the premiums paid by the self-employed in Quebec are set in such a way as to cover the full cost of the benefits provided to the self-employed. By contrast, Bill C-56 will allow self-employed workers to choose if they wish to be covered by opting out or in and paying premiums for one year before claiming a benefit. Further, the premium, set to equal the employee premium, will not, and is not, designed to cover the cost of benefits.

Our major concern is that providing special benefits to the self-employed in this way will prove costly, and could well result in a significant increase in premiums for employees and employers to cross-subsidize benefits paid to the self-employed. This could in turn undermine broad support for EI special benefits, especially given that EI premiums are likely to rise very rapidly after 2010.

Having said all this, we recommend that Bill C-56 be passed, but that the government immediately appoint the panel of experts promised in the 2009 budget. The panel should be mandated to design a program of maternity/parental benefits for self-employed workers based on social insurance principles, with close reference to the successful example of the Quebec plan. With reference to the broad issue of providing special benefits to the self-employed, we have noted on many occasions that many supposedly self-employed workers are, in legal reality, employees who deserve the protections of employee status, including EI coverage. As noted, the Quebec plan not only extended coverage to the self-employed, it also improved maternity/parental benefits for employees. The CLC supports lowering the entrance requirement from 600 to—guess what—360 hours, and benefits should be paid out on the basis of 60% of insured earnings over the best previous 12 weeks.

• (1700)

Changes also need to be made to the program to ensure that the receipt of maternity and parental benefits does not reduce or eliminate regular EI benefit entitlements, as happens now if a layoff occurs after a return from parental leave, and vice versa, when a worker is laid off prior to parental leave.

Thank you, and I look forward to your questions.

**The Vice-Chair (Ms. Raymonde Folco):** Thank you so much, Madam Byers.

We'll now go into the first round of seven minutes. Mr. Savage.

**Mr. Michael Savage:** Thank you, Chair.

I want to thank the witnesses for coming. I think it was a very useful panel.

I want to thank the Canadian Dental Association and ACTRA for their representations on behalf of their members. And I want to thank our friends from organized labour, who have raised a number of very significant questions.

In general, I think we all share the view that we want to see employment insurance accessible to self-employed persons. The problem is that there are so many unanswered questions.

The CAW and the CLC have taken somewhat opposing views, both of which were based on good analysis. The CLC is calling for us to pass the bill and then establish some mechanism to make sure there's accountability for the new expansion of EI. The CAW is saying let's put this on hold, so that's an interesting point of view.

We've all indicated support for this, but getting answers out of the government, which presented this bill without giving us any estimate of costs, has been challenging. It was after persistent questioning last week that we received some information from Frank Vermaeten and Louis Beauséjour from HRSDC.

I want to read this, because I want to get your response. This is what we received, "Understanding that heretofore the minister has indicated that this will be self-financing":

The financial impact will be different in Quebec, where maternity and parental benefits are already provided through QPIP. In Quebec, where only sickness and compassionate care will be provided through EI, it's projected that premiums collected will fully offset costs.

For the rest of Canada, it is projected that premiums levied on the self-employed will not fully cover costs because costs associated with maternity and parental claims would exceed premiums by those primarily interested in maternity and parental benefits.

Table three, below, provides projections of the expected accrual financial impact on the EI account. It is expected that projections for 2014 closely resemble the steady-state impacts.

The table indicates that in the first year there will be a surplus of \$48 million, which makes sense, as people have to pay in for a year before they can draw a benefit. But by 2014 there will be a \$78-million deficit in the account. I think it validates the concern that there is going to be a cost here. Added to that is the fact that this is coming out of the EI fund, not out of consolidated revenue funds, so there is a potential to have an impact on regular EI payers—employers or employees—who don't have a choice, .

I'd like to get the views of CLC and CAW on the information we were provided today.

**Mr. Andrew Jackson (Chief Economist, Canadian Labour Congress):** I don't pretend to be in a position to cost the program. I think it's speculative on anybody's part as to what enrolment rates would be.

We do know that the vast majority of maternity and parental benefits are collected by women. I think it would be reasonable to expect that relatively few men would enrol for that benefit.

You can do a rough calculation. If you pay a year's worth of premiums and you get the maximum benefit, on a present cost basis you're going to have to pay in for about 25 years to cover the cost of the benefit. If a lot of people enrol for maternity and parental, then have one or two children and collect...that's quite a significant cost.

I would guess that there are few people who would pay their premium to get access to 15 weeks of sickness benefits. On a cost-benefit basis, I think relatively few people would find that an attractive position. I might be wrong, but I think that's why we need the experts to look at it.

• (1705)

**Ms. Laurell Ritchie:** The problem is that it is all speculative. We can do some calculations based on the experience in Quebec, but even that has some unknowns about it. The rising birth rate, while minimal but still evident, can equally be attributed to a stronger child care system there. Who knows?

When it comes to the sick benefit and compassionate care benefit, we've been given no examples of where it exists anywhere else in the world. I saw a reference to California, but that is a different system and it's not done through EI. I don't know how we get there.

I did a quick calculation of somebody with a \$30,000-a-year income. With the kinds of premiums that are projected, again by the budget office, it's going to take a couple of decades for that individual—

**Mr. Michael Savage:** On that point I think you're right.

I don't want to make undue difficulty, but I asked the minister a question. I said that given you're saying that this is meant to be self-financing, if there is a deficit in the extension of EI benefits to the self-employed, it seems to me we should make a commitment that it comes out of the consolidated revenue fund, not out of the EI fund. Does that make sense to you?

**Ms. Laurell Ritchie:** We've been saying for a long time that the government should be contributing to EI, in general, as they did prior to the 1990s. It would help a lot if they were contributing for extended benefits during these difficult economic times on an ongoing basis.

It sounds like a good fix, but I know that in Quebec there was a hue and cry about getting the government to fund part of the employers' portions there. The one thing I would caution you about is that there may be some backlash among those who are payroll employees and participating in the program if there are government contributions towards the self-employed from general revenues and not likewise for the payroll employees.

**Mr. Michael Savage:** Thank you.

**The Vice-Chair (Ms. Raymonde Folco):** Madame Beaudin.

[Translation]

**Mrs. Josée Beaudin (Saint-Lambert, BQ):** Thank you very much.

Thank you very much, Madam Chair.

Thank you all for being here. Thank you for your presentations.

According to what Ms. Ritchie just said in response to my colleague, the government is looking to evaluate this program every five years. Does that seem too long to you?

[English]

**Ms. Laurell Ritchie:** It does seem a long time. Again, it's grating to know that on issues that have been advocated for much longer and in which there are much more concrete studies for improving benefits, we get stuck with pilot projects or temporary measures when it comes to payroll employees. On this one we look at a review, which is a horse of another stripe. It does seem inordinately long.

[Translation]

**Mrs. Josée Beaudin:** Thank you very much.

You know, then, that in Quebec, we already have parental benefits. Under this contribution, Quebec will actually receive two other benefits: compassionate and sickness.

Finally, as far as we are concerned, we could therefore call it a Quebec sub-program. According to the department's estimates, Quebec will have surpluses on those benefits. However, all workers in the rest of Canada will have a large deficit that will have to be absorbed by other contributors to the plan, regular contributors.

Do you think it is fair that self-employed workers in Quebec should pay more than they need to to fund the programs while workers in the rest of Canada have their deficit absorbed by other regular contributors?

Ms. Byers, Ms. Ritchie, if you have an answer, I would very interested to hear it.

• (1710)

[English]

**Ms. Barbara Byers:** I just want to expand it. Certainly in terms of ACTRA, CAW, and ourselves, what we've really been talking about is fairness in access and opportunity and benefit payments and levels. I think there's some consistency, although there are obviously some differences.

I'm going to go back to what we've been hammering away at. When I said the 360 hours and so on, I think the problem we're going to find with what's proposed here is that we may in fact have a woman who's worked in a hotel for ten years, and because of the way the current EI system is structured, when she needs to take maternity and parental leave she won't have access to it because she doesn't have the number of hours that are needed. Yet someone else who has contributed from the self-employed side for a shorter period of time and has had the option to not pay in will in fact have access. We're going to find that low-income women who are employed are actually going to be supplementing a lot of other people. They currently are as well. That's the reality.

I go back again to what needs to be done as well. When we're looking at this system, the 360 hours has to apply for all people who are in part of the system and so on. When we're looking at it we need to have a system that is fair. We've long advocated that the self-employed be included in employment insurance. It has been our policy for a long time, but it was on the basis that it was a social insurance system and that everybody was in.

[Translation]

**Mrs. Josée Beaudin:** Do you think that we should create a separate, completely different sub-fund under the existing Employment Insurance program so that we have specific contribution rates for self-employed workers, a balanced rate?

[English]

**Mr. Andrew Jackson:** As you know, now we have the EI fund and the premium is going to be set by the EI financing board. By the time they get going, they're going to be facing a big deficit in the EI account because of the recession and because the accumulated surplus hasn't been transferred over. They will have to set the premium in the light of the revenues flowing into the program and the cost of benefits.

I guess as this program for the self-employed is included in that, it will be costed by the chief actuary as the program proceeds, and they will have to set the overall premium rate in light of trends in all aspects of the program—regular benefits, special benefits, and benefits for the self-employed.

For a start, we shouldn't be raising premiums over the next few years, given the fact that we had a very large accumulated surplus going into it. The EI financing board or any financing authority should, as in Quebec, set a premium rate for the self-employed that covers the cost of the benefits provided to that group. I think the chief actuary is quite capable of doing that as the program unfolds, but what we don't really know now is just what it's going to cost as it rolls out.

[Translation]

**Mrs. Josée Beaudin:** You stated, Ms. Ritchie and Ms. Byers—I believe you mentioned it, too, Ms. Downey—that it was important for this measure to be mandatory.

Can you explain to me a bit more why we would want that? You talked about the example of Quebec, but can you elaborate a bit, Ms. Ritchie in particular?

[English]

**Ms. Laurell Ritchie:** In general, this goes to the issue of social insurance, and to some extent it differs from commercial insurance. You are pooling this across a broad population, which makes it sustainable. It actually goes, to some extent, to the question you just asked.

Outside of Quebec, I worry about a separate fund for this, because we have heard over the years the position taken by some business organizations and occasionally by some politicians in regard to these benefits, these so-called “social benefits”, though reaffirmed in a recent Supreme Court decision as a proper mandate of the employment insurance system. Set aside, I think it would become more vulnerable to those who would want to take social benefits out of the EI system.

Where we do best, I think, is where we are sharing this responsibility across the broad population, and yes, I'm sure my dentist won't participate and would not want to be paying premiums, but I also know there are other populations within the payroll employees. Some teachers might argue, “I'm never going to be able to qualify, why do I contribute?” The only way that a social insurance system can sustain itself is if everybody is contributing and pools that risk through thick and thin, one occupation to another, from one end of the country to the other—and I do a set-aside for Quebec.

• (1715)

**The Vice-Chair (Ms. Raymonde Folco):** Thank you. I think you've made your point.

[Translation]

Mr. Godin, please.

**Mr. Yvon Godin:** Thank you, Madam Chair.

Welcome everyone.

I would like to ask you a question, Ms. Downey. As far as Employment Insurance is concerned, what is your opinion not only on parental and maternity leave, but also sick leave or leave to take care of a person who is sick?

Unless I am mistaken, you said that people should be able to receive Employment Insurance benefits even if they did not have a job. I don't know if you heard the earlier witnesses tell us that they have no idea how a person could lay himself off. In that case, could you explain how that could work, in your opinion?

**The Vice-Chair (Ms. Raymonde Folco):** Who is the question for, Mr. Godin?

**Mr. Yvon Godin:** For Ms. Downey.

[English]

**Ms. Ferne Downey:** Thank you.

As actors know, we can't exactly fire ourselves. My members tell me stories all the time about the financial stresses they suffer as a result of not having any access, ever, to any of these social programs. I just came back from Vancouver on the red-eye last night, and the stuntwomen out there in particular were very articulate about their lack of protection in their workplace.

I don't know if that answers your question.

**Mr. Yvon Godin:** My question was more about how you deal with it, because the program is only for sick leave, maternity and parental leave, and care, but some people are saying it should go all the way if a person doesn't have work. How would you work in your industry?

**Ms. Ferne Downey:** Stephen, you're going to have to help me on that, because we're a very different kettle of fish.

**Mr. Yvon Godin:** Where's the fish?

**Mr. Stephen Waddell:** Well, there are some similarities with fishers and actors, they say.

By their nature, engagements in film, TV, recorded media jurisdiction, stage, and so on are infrequent. It's just the nature of the business. We don't call it employment; we're very careful to say it's not an employment situation, because of the tax implications. The average ACTRA member earns \$15,000 a year. No one could live on \$15,000 a year or from these kinds of earnings. By and large, engagements are very infrequent; there's a commercial here and there, a day here and there. The only time you get some longer-term engagement is if you're working at Stratford or you've got a series and you're a series regular.

Our members have never had the opportunity to participate in an EI program. As we said in our speaking notes, the government is taking a good first step, but we'd like to see more, not the least of which is, as we said, that mandatory participation would be terrific, and having the producers contribute would also be an excellent addition to the program.

In terms of EI itself—regular EI, which is what you're getting at—it's not going to fit. There's not a clean fit with the nature of engagements in our jurisdictions, but that's why we're recommending that—

• (1720)

**Mr. Yvon Godin:** The reason I raise the question is that some artists are coming to me and saying that when they get on the show and they're doing the show, they get paid, but when they prepare, they don't get paid.

**Ms. Ferne Downey:** When you audition, you don't get paid.

**Mr. Yvon Godin:** We all love our artists. We love them on Friday night and Saturday night, entertaining us and all of that. They just don't get paid for what they're producing.

**Mr. Stephen Waddell:** Yes, but that doesn't mean you're not working, right? You're preparing. That's exactly it.

**Mr. Yvon Godin:** Exactly. That's what they're saying: it doesn't mean they're not working, but they're not getting paid.

**Mr. Stephen Waddell:** You're working out with your colleagues.

**Mr. Yvon Godin:** But then you're saying it will be hard to find a way to pay in between.

**Mr. Stephen Waddell:** Yes. It would be difficult, because there is virtually no employment between the actual engagements, but let's find another way of doing this. Let's look at a different form of eligibility.

**Mr. Yvon Godin:** I saw in your presentation that you're saying there should be a review, and not five years from now. There should

be a review to assess where it is. There should be expert panels, as was promised in the budget, but we never got them.

We cannot blame the Liberals on that one. I know Mr. Komarnicki is saying that everything is the Liberals' fault, but I remember when they passed the bill about \$2 billion going to the fund, and it was under the Conservatives that it happened. I said the one that legalized the taking of the money was not too long ago.

When we look at this one, you're saying you support it, but it has to be reviewed and some changes have to be made. What changes, then?

**Ms. Barbara Byers:** I feel sometimes in this room...it's a little bit like the last discussions we had when we came to talk about the previous bill's extension of benefits. There are some people who are going to benefit from this kind of a move, and we obviously don't want to stand in the way of that. But there are some big problems and some big questions, the whole question about financial sustainability and who will really benefit. Will it be that self-employed woman who may be an ACTRA member, or someone else, or will it be people with a much higher income who will get the benefits from this?

There are all sorts of questions. People have said to me that they understand on the parental benefits. You know, somebody would be able to say they were planning to get pregnant next year so they'd start paying into benefits now so that when the time comes to take maternity and parental benefits, they'd be eligible. But the question that was asked of me was: How do you plan for sickness? I don't have an answer for them on that. I don't think you have an answer for them on that.

I think there are some people who think they're going to have access to sick benefits that, quite frankly, aren't going to be there, because they're going to have to have paid in. And if it's voluntary, they're not going to have paid in by that time. That's why we think there needs to be a much more rigorous review of what's going on, how the money's being spent and who's benefiting.

**The Vice-Chair (Ms. Raymonde Folco):** Thank you.

Mr. Vellacott.

**Mr. Maurice Vellacott (Saskatoon—Wanuskewin, CPC):** I have some questions, first to Stephen and to Ferne.

I take it you've had some discussions with your members, different artists and so on. Would it be correct to say they would like it to be voluntary? Did they have any thoughts or comments on that? I would assume that's the case, but I'm not sure.

**Mr. Stephen Waddell:** We'd prefer it to be mandatory.

**Mr. Maurice Vellacott:** Mandatory?

**Mr. Stephen Waddell:** Yes, mandatory. It makes sense. But anyway, we're happy that the government has introduced the bill. Thank you for introducing the bill, and we're urging the MPs to pass it.

**Mr. Maurice Vellacott:** Right.

Let me ask the question, and put it this way, then: you've talked to your artists, you've told them, you've had the discussions across the board with them, and they have uniformly or in a high percentage of numbers said they want it to be mandatory.

• (1725)

**Mr. Stephen Waddell:** Come on, we haven't canvassed every member here. What we're talking about is based upon our experience in the industry, which is considerable.

**Mr. Maurice Vellacott:** Okay.

I have some other questions, then. I would have thought that maybe you'd do some polling, because I know, as executives, we take positions. We can sometimes be out of touch, too. I certainly hope that's not the case here.

**Mr. Stephen Waddell:** That's not the case here, sir.

**Ms. Ferne Downey:** No. No, sir.

**Mr. Maurice Vellacott:** Okay. But you've done no polling, you've done no surveying of your members.

**Mr. Stephen Waddell:** We speak to our members all the time.

**Mr. Maurice Vellacott:** Well, okay.

Have you actually polled your members, done any kind of systematic thing in terms of being able to access self-employed benefits? Have you done any kind of polling on the more general topic, aside from mandatory and voluntary? Have you done—

**Mr. Stephen Waddell:** No.

**Mr. Maurice Vellacott:** —any kind of polling of your members, done any survey of your members?

**Mr. Stephen Waddell:** No, we have not. On this issue, no.

**Ms. Ferne Downey:** This is all new to our members. We've never had any ability to poll our members. This all came to us, actually, very late in this process. The members came to us with open interest in this program.

**Mr. Maurice Vellacott:** I'm pleased to hear that. I would assume, as executives of an organization, that you will be attempting to do that in some comprehensive manner—

**Ms. Ferne Downey:** Yes.

**Mr. Maurice Vellacott:** —inevitably, no doubt.

Let me ask this question, then. I guess maybe Ferne wants to respond here.

This is speculative again, but you may have had conversations in the absence of any polling or survey. Do you hear from women who have either delayed or forgone having children, maybe altogether, because they have no support to help them of the sort that's being proposed here?

**Ms. Ferne Downey:** Yes.

**Mr. Maurice Vellacott:** And can you conjecture how this bill will impact the lives of those actresses?

**Ms. Ferne Downey:** Many people have come to me on this brief. I believe it will make a very positive impact, particularly on the younger members of the business who become absolutely frightened to ever begin a family, because when you're self-employed you're not working, you're not auditioning, and if you're not auditioning you're

not working and you're not earning any income. So people procrastinate. People have terrible financial insecurity about raising a family.

The women, in particular, have come forward and think this is an important benefit to have in their lives. They would want to pay into this program.

**Mr. Maurice Vellacott:** You say, in terms of now, that it's more recently on the radar for you. How long has your organization been calling...? Or have you had those discussions with them internally? Has it been over a number of months or years?

**Ms. Ferne Downey:** It has been decades. We've been a union for 66 years. This has been on our radar for a very long time.

**Mr. Stephen Waddell:** We also have had, for the past 35 years, the ACTRA Fraternal Benefit Society, which provides benefits to performers and writers within the jurisdiction. We've built our own house that provides insurance and retirement benefits for our members. So this would be, as we've said, a very useful additional benefit.

**Mr. Maurice Vellacott:** Thank you.

I'm going to cede the floor to my colleagues, Don and Ben. Ben's going first.

**Mr. Ben Lobb (Huron—Bruce, CPC):** I'd like to ask the folks from the Canadian Dental Association a question, specifically on the program being voluntary. My father has been a self-employed person with his own business for over 40 years. He's in his sixties now, so he would be not unlike some members in your association. I think if he were forced into mandatory payments, he would be quite disappointed. I wonder if you could comment on what your association would think about the mandatory portion of what we've heard some of our guests comment on.

**Dr. Don Friedlander:** As I said in my remarks, we're certainly supportive of it being voluntary. It's a principle for us. The voluntary aspect is important to us, as any additional tax without individual benefit goes to increasing the cost of providing care. Frankly, it goes to making access more difficult rather than easier, as we see with the other benefits of this program.

At CDA we see it in the same way we see commercial insurance. Dentists purchase insurance for their practices all the time. None of the insurance is mandatory. It's based on personal situations, perceived future need, and so on. The only mandatory insurance is malpractice insurance, which of course is for the patient's protection.

• (1730)

**The Vice-Chair (Ms. Raymonde Folco):** Thank you.

I'd like to thank everyone for coming. I have a little bit of business to attend to, and I'd appreciate it if members of the committee would stay for five minutes.

Thank you to everyone for coming. I must say, when you project as you speak, Madam Downey, I see the actress in you, and I appreciate it very much. Thank you, everyone.

We will now go into an in camera meeting.

While our witnesses are leaving, let me get across a bit of business that doesn't have to be in camera.

Everyone has received the latest notes on our trip north and west. As you may have noticed leafing through the few pages, only the Vancouver trip is actually organized as to who will be there and the meetings we will actually be having. I take it for granted, Mr. Etoke, that the details for Whitehorse, Yellowknife, and so on will be coming very soon.

Yes, Mr. Savage.

**Mr. Michael Savage:** I noticed for Yellowknife that it says no meetings. There are only site visits.

**The Vice-Chair (Ms. Raymonde Folco):** Is this for Winnipeg on Friday?

**Mr. Michael Savage:** No, it is Yellowknife.

**The Vice-Chair (Ms. Raymonde Folco):** You're right.

**Mr. Michael Savage:** It says no meetings.

**The Vice-Chair (Ms. Raymonde Folco):** I understand, according to Mr. Etoke, that we had agreed that there would be no meetings. It would only be visits. I was not privy to this.

Mr. Martin, do you wish to add something on this point?

**Mr. Tony Martin (Sault Ste. Marie, NDP):** I don't know where that Yellowknife agreement or decision came from either.

**Mr. Maurice Vellacott:** I don't know where it came from either.

**The Vice-Chair (Ms. Raymonde Folco):** Nobody knew about that. Let me tell you that the chair....

**Mr. Maurice Vellacott:** I thought there were simply no witnesses, but I never heard that there was a plan to have no witnesses. I didn't think that was the case.

**The Vice-Chair (Ms. Raymonde Folco):** Well, the reason I'm in the chair is that the chair is away for personal reasons. I don't know when he will be back.

We'll have to bring it up at the meeting, unless some of you have his private number and you're able to get hold of him and talk to him about this. I do not have that information. I don't know.

**Mr. Michael Savage:** I think we should just ask the staff to come back on Thursday. I can't imagine that Dean would have requested that we not have meetings, so I would ask, unless there's a reason, that we just schedule the groups in for meetings. If one of them wants to do a site visit that fits our schedule, that's fine too.

**The Vice-Chair (Ms. Raymonde Folco):** Mr. Cannan.

**Mr. Ron Cannan:** Thank you, Madam Chair.

Actually, Dean mentioned that apparently there are only two witnesses they could find for Yellowknife, so they said to go to Whitehorse. There was a discussion that he had.... Maybe Georges knows.

**The Clerk of the Committee (Mr. Georges Etoke):** I have more names now that have come in since last night.

**Mr. Ron Cannan:** That's what he just told me yesterday; that's why they were.... But if they have witnesses, then why not?

**The Clerk:** We had only two names before. Now I have about ten.

**The Vice-Chair (Ms. Raymonde Folco):** I don't want to take too much of your time, and I have some other things. Let me go through this very quickly.

For Winnipeg, the meetings will be in the morning only. The afternoon will be made up of visits, from what I understand.

The other thing I want to talk about is Thursday. You remember that we made a commitment....

*On va aller à huis clos maintenant.*

*[Proceedings continue in camera]*

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