

# Review of the Employment Insurance program

## Submission to Employment and Social Development Canada

October 19, 2021

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On behalf of the Canadian Home Builders' Association (CHBA), representing some 9,000 member companies in the residential construction sector, thank you for the opportunity to provide the Association's input on the review of the Employment Insurance (EI) program.

In 2020, the industry supported 1.24 million on-site and off-site jobs in new home construction and renovation. The residential construction industry provides for \$138.1 billion in economic activity and \$81.1 billion in wages, that support Canadians and local economies across Canada. While residential construction has largely been permitted to continue in most jurisdictions through the pandemic, the industry has experienced a variety of challenges in both new construction and renovation, both in terms of costs, material supply and labour supply.

Early on in the pandemic, EI and other supports were especially important to both employers and workers. Pandemic disruptions impacted businesses' cash flows, as well as current projects and future prospects, resulting in layoffs. Based on a spring 2020 member sentiment survey, 52 per cent of respondents said their businesses were feeling the effects of the COVID-19 pandemic and 42 per cent expected business to worsen for them over the next six months due to economic uncertainty and a slow recovery—layoffs were therefore a reality, and EI an important support.<sup>1</sup>

The EI program is always important for the housing industry, where work is cyclical and seasonal in nature, and periodic unemployment is a fact of life for many workers. Without an income support program such as EI, many workers would be unable to weather the periods of unemployment – further exacerbating the already critical problem of shortages of skilled workers.

As the country starts to look towards recovery from the pandemic, now is an excellent opportunity to examine modernizing Employment Insurance. Ensuring the program continues to serve the needs of Canadians and Canadian businesses, the CHBA would like to offer the following recommendations:

- 1. Any proposed amendments to the EI program need to include the full participation of businesses and employers.**

It is essential that businesses and employers are full participants in all EI consultations and discussions, not least because employers assume the majority of the program costs. During the last Parliament, CHBA was a signatory to a letter to The Honourable Carla Qualtrough, Minister of

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<sup>1</sup> CHBA, 2020

Employment, Workforce Development, and Disability Inclusion. The letter was sent by businesses and associations across Canada, from various industries and demographics. It outlines the importance of stakeholder engagement and expressed concern over the lack of outreach by political or public service decision-makers at Employment and Social Development Canada in relation to EI reform. With a new session of Parliament about to be underway, and with the possibility of a new Minister of Employment, Workforce Development, and Disability Inclusion, it is particularly important that businesses be brought into discussions surrounding EI reform in a meaningful way.

**2. The design of the EI program should be dictated by policy and must be the outcome of principled evidence-based analysis.**

While it is a positive step to move forward with modernizing the EI program, it is essential that the program be data-driven, inclusive, non-partisan, and responsive to the labour market conditions. Program reform needs to focus on the development of a system that is relevant and can rapidly respond to current and future workforce needs. It is also important to address any unintended consequences to employers through such changes as linking the EI program and the Temporary Foreign Worker Program.

Further to the design of the EI program, it is imperative that that Labour Market Development Agreements (LMDA) between the federal and provincial governments are developed in such a way that reflect regional and sector specific needs and opportunities. To assist with this, it is important that all information on LMDA funded programs, and the results of these programs, be accessible to employers. Another important component of modernizing the EI program is to ensure that the money spent on programming is targeted to getting people back to work and a key way to do this is to allow for employer-led programming to ensure EI-funded programming leads directly to employment.

**3. EI premiums should be reduced or maintained at levels appropriate to sustain the program.**

CHBA positively acknowledges the EI rate-freeze decision by the government as a part of its response to COVID-19. However, it does leave our Association concerned for possible future rate changes once the rate-freeze is removed. EI rates should be indexed appropriately and ensure stable, predictable rates such as that the program helps mitigate economic cycles. Once the EI program is modernized, it will also be equally important to guarantee its sustainability. That includes ensuring EI revenues be used exclusively for the EI program. Therefore, any amendments to the EI program will need to be data-driven and costed to ensure the program's continued viability.

EI is an important labour market policy tool. However, program revitalization is required to ensure it can meet a post-pandemic economy. The Canadian Home Builders' Association would welcome the opportunity to further expand on our recommendations as the Committee continues its study. Should you have any questions, or require more information, please do not hesitate to contact Nicole Storeshaw, Manager, Government Relations at [nicole.storesshaw@chba.ca](mailto:nicole.storesshaw@chba.ca) or 613-230-3060 ext. 241.

Sincerely,

A handwritten signature in blue ink, appearing to read 'K. Lee', is positioned above the typed name.

Kevin Lee, P.ENG., M.ARCH.  
CEO, CHBA