

Pan-Atlantic Study of the
Impact of Recent Changes to
Employment Insurance

Advisory Panel Final
Report

June 2014

Submitted by: Council of Atlantic Premiers Employment Insurance
Advisory Panel

Pan-Atlantic Study of the Impact of Recent Changes to Employment Insurance

Letter from the Advisory Panel

In June 2013, Atlantic Premiers announced the creation of the Atlantic Premiers' Panel on Impacts of Changes to Employment Insurance to undertake a pan-Atlantic consultation and research initiative to detail the impact of recent changes made by the Federal Government to the Employment Insurance (EI) system. Although we heard a wide variety of inputs from stakeholders on all aspects of the EI system we did not include within our recommendations any comments outside of the mandate of this Panel.

Throughout the past eleven (11) months we have completed the requirements for this initiative and are pleased to present to you our findings and recommendations. We have gathered input from a wide array of stakeholders, claimants, government representatives, and concerned citizens throughout Atlantic Canada. We conducted in-person sessions, a telephone survey, and reviewed written submissions in order to develop this report.

We believe that we have captured within our recommendations the main effects of the changes to the EI program as experienced by Atlantic Canadians. One thing is abundantly clear - Atlantic Canadians have very deep concerns regarding the potential effects of the changes. Much of the fear stems from the issues surrounding the way that the changes were introduced (lack of communications, misunderstanding of the issues) rather than any actual experienced effects. Without detailed statistical analysis of the EI claimant data we were unable to provide a detailed data examination of actual effects. We propose that this type of analysis be conducted in the future by the provinces.

We also heard support for the changes from groups that felt that the EI program had inefficiencies that needed to be addressed. However we did not receive substantiated reports of employers who were benefitting from the changes.

The Atlantic Provinces have traditionally had a resource-based economy which is still the economic base for many rural communities. Labour market and economic indicators show that the economies of these provinces are much more seasonal than the Canadian economy as a whole. This seasonality requires an effective EI system. Atlantic Premiers have a strong role to play in educating Federal counterparts and EI policy staff on the effects of seasonality to ensure that employment supports are available for Atlantic Canadians when they are needed.

As the provinces continue to recover from the recent economic downturn and until resource projects fully develop, the rate of unemployed to available jobs in this Region may remain higher than the rest of Canada which further underlies the need for a strong EI system. The recommendations provided within this report are designed to strengthen the current EI system, provide needed supports to claimants and employers, and to create opportunities within the Provinces to assist claimants in pursuing training and employment opportunities.

With the submission of this report we have completed the mandate for the Advisory Panel.

Respectfully submitted by,

Pierre-Marcel Desjardins

Ian MacPherson

Darlene Grant Fiander

Iris Petten

Summary of Recommendations

All of the recommendations below are presented with within this report with a full description of the background for the recommendation in the Conclusions and Recommendations section (page 35).

- 1. Federal Government should commit to collaborate with the Atlantic Premiers to better understand the unique economic environment in the Atlantic Provinces and the role of the Employment Insurance program in workforce and income stability, particularly in seasonal industries.*
- 2. Improved communications to claimants, Provincial staff, and Service Canada staff is required by the Federal Government to clearly define all aspects of the changes and to clearly advise the public of the intent and the delivery of the EI program changes.*
- 3. Service standards for the effective delivery of the EI program must be implemented and adhered to in order to provide the required support to claimants and ensure that claims are correctly processed in an efficient manner.*
- 4. A clear directive from the Federal Government needs to be provided to remove the remaining ambiguity regarding the interpretation of how workers who have worked out of province or at a location beyond a one-hour commute in the past will be treated under the new EI changes requiring claimants to accept work of this nature in the future.*
- 5. The Working While on Claim program financial support formula needs to be revised to ensure that claimants will utilize this program and employers can find workers for short-term employment opportunities.*
- 6. Increased information, communication, and supports are needed for claimants regarding the Social Security Tribunal (SST) to ensure that it is a fair and effective mechanism for the review of EI Claims.*
- 7. Request the reinstatement and availability of the Best 14 Weeks and the Extended Employment Insurance Benefits Pilot Project for all economic regions where high seasonal employment occurs.*

8. *Federal commitment to provide EI data to the provinces to ensure ongoing monitoring of the effects of the EI Changes*

Moving Forward

- ❖ Implementation of an Atlantic Strategy to support and sustain seasonal industries and seasonal workers.
- ❖ The continued commitment to examining labour force issues collectively through a Pan-Atlantic Labour Force Development Strategy.
- ❖ Continued work with economic and business development organizations to increase economic confidence in Atlantic Canada as a good place to do business.
- ❖ Continued Commitment for Provinces to revisit and update programming to meet the current economic realities.
- ❖ Work proactively with employers and the Federal Government to develop a strategy which addresses the disconnect between skill set supply and demand in some regions or sectors.

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Terms of reference

In June 2013 Atlantic Premiers initiated a pan-Atlantic consultation and research initiative to detail the impact of recent changes made by the federal government to the Employment Insurance program. Specific changes to the Employment Insurance program under consideration in this pan-Atlantic consultation and research initiative include:

- the introduction of the Connecting Canadians with Available Jobs Initiative;
- changes to the Working While on Claim Pilot Project;
- the expiry of the Best 14 Weeks Pilot Project;
- the expiry of the Extended Employment Insurance Benefits Pilot Project; and
- the changes to the EI appeals process and the new Social Security Tribunal.

Scope of Work

1. Work with the federal government and provincial labour market, finance, economic development and intergovernmental affairs departments to gather the available data, existing studies and information necessary to identify and document the impact of the changes to the Employment Insurance program on workers and employers in various economic sectors.
2. Data, as available, should include a history of EI usage in the Atlantic region and each province, including the number of claimants and benefits received over time. The final report should also include profiles of EI users in the region and in each province, including such information as age profile of claimants, industry worked in, average weeks worked, and average income benefit.
3. Based on the information available, assess the impacts, as fully as possible, on the effect of the new Employment Insurance system on workers, communities and industries (in particular seasonal) and identify recommendations going forward.
4. Consult with key stakeholders and experts throughout the Atlantic region.
5. Develop a foundation for engaging the federal government on the evidence of the current and predicted impacts of the Employment Insurance changes on Atlantic Canadian workers, employers and communities, and in particular, the seasonal economies.
6. Prepare a final report for the Premiers.

Members

The work will be conducted by a four-member panel made up of representatives of labour, business, and academia. Each member was nominated by the Province they represent. Pierre-Marcel Desjardins (New Brunswick) will act as the chair of the Panel.

<u>Member</u>	<u>Province</u>
Pierre-Marcel Desjardins (Chair)	New Brunswick (NB)
Darlene Grant Fiander	Nova Scotia (NS)
Ian MacPherson	Prince Edward Island (PEI)
Iris Petten	Newfoundland and Labrador (NL)

All of the work conducted by the Advisory Panel was supported and directed by the Project Manager (Cindy Lanteigne, New Brunswick).

Governance

The panel reported to provincial deputy ministers of intergovernmental affairs, with the participation of the deputy ministers responsible for labour market matters.

Deloitte was commissioned to research and prepare a foundational discussion paper which outlined current and available data, information pertaining to seasonal economy (industry and workers) in Atlantic Canada, provided initial analysis and economic implications, outlined policy issues and key questions for the panel to consider during consultations.

Recommendations

The following questions were considered during the implementation of the Panel work:

- Which communities, regions, employers and workers in Atlantic Canada will be most adversely impacted by the recent changes to the Employment Insurance program?
- Based on analysis of the evidence and data collected, what recommendations can be made to minimize any negative impact of the Employment Insurance changes on communities, regions, employers and workers in Atlantic Canada?

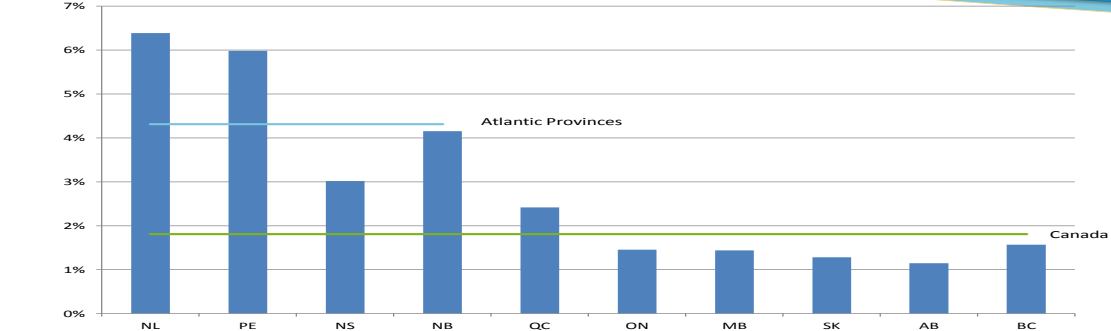
Background Information: The Importance of Employment Insurance to the Atlantic Region

Atlantic Provinces were settled and developed based on resource industries and these industries continued to play a significant role in the region’s economy throughout much of the 1900s. While the Atlantic Provinces’ economies have grown and evolved in recent history, settlement patterns were, and many rural economies still are, based on traditional industries. However, rapid industrialization and urbanization has occurred in central Canada over the past century.

In a national context, Employment Insurance (EI) benefit payments provide individuals with income during periods of unemployment. While theoretically the program is designed to provide income for workers during spells of unemployment while transitioning from one job to another, the program has come to serve an additional role, providing income support for many of those employed in seasonal industries and other industries where employment is of short duration. The short duration of seasonal industries may be due to weather (e.g. forestry, seasonal tourism), the nature of the resource/industry (e.g. agriculture, aquaculture) or regulation (e.g. federally-mandated fishing seasons).

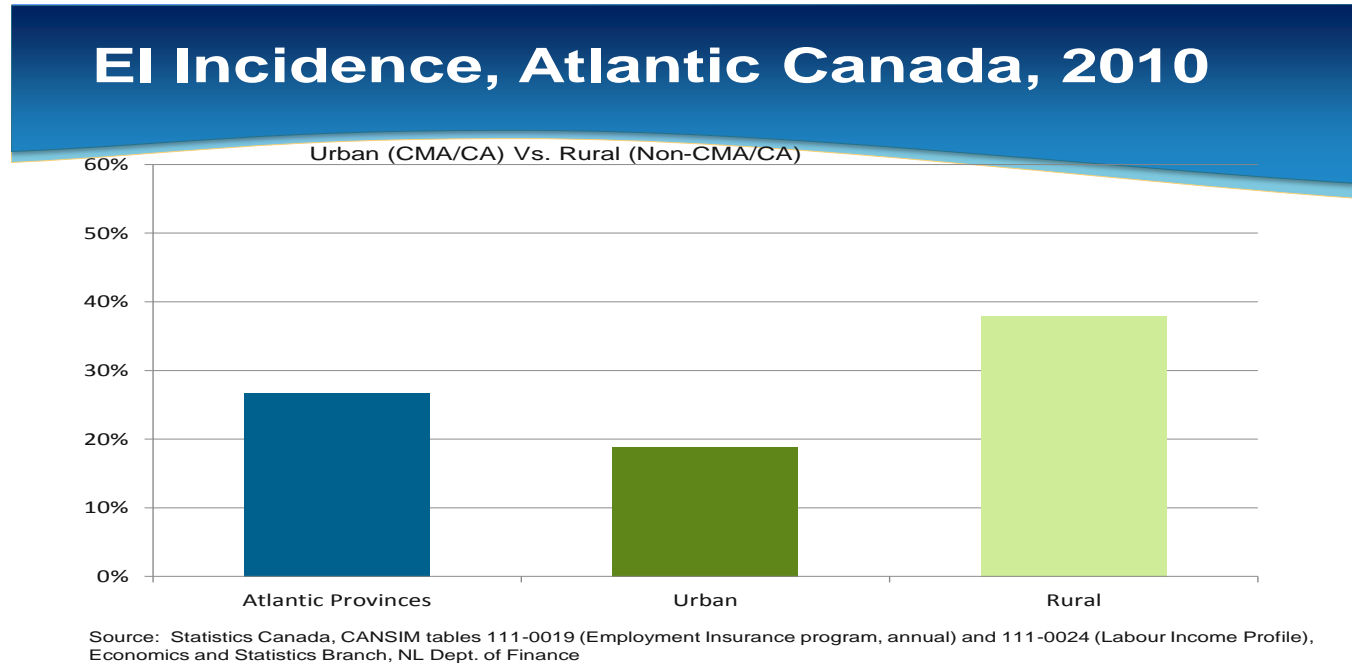
The importance of the EI program to Atlantic Provinces is seen in the number of EI beneficiaries as a percentage of those employed and the proportion of EI benefit payments received as a percentage of total income. While EI usage fluctuates depending on economic conditions, the rate of overall usage in the Atlantic region has been trending downwards. The number of EI beneficiaries as a percent of those employed declined from about 35% in 1992 to about 27% in 2010. In addition, EI payments as a percent of total income fell from 7.7% in 1992 to just over 4% in 2010.

EI Benefit Payments as a % of Total Income, Canada and Provinces, 2010



Source: Statistics Canada, CANSIM table 111-0024 (Labour Income Profile of Taxfilers), Economics and Statistics Branch, NL Dept. of Finance

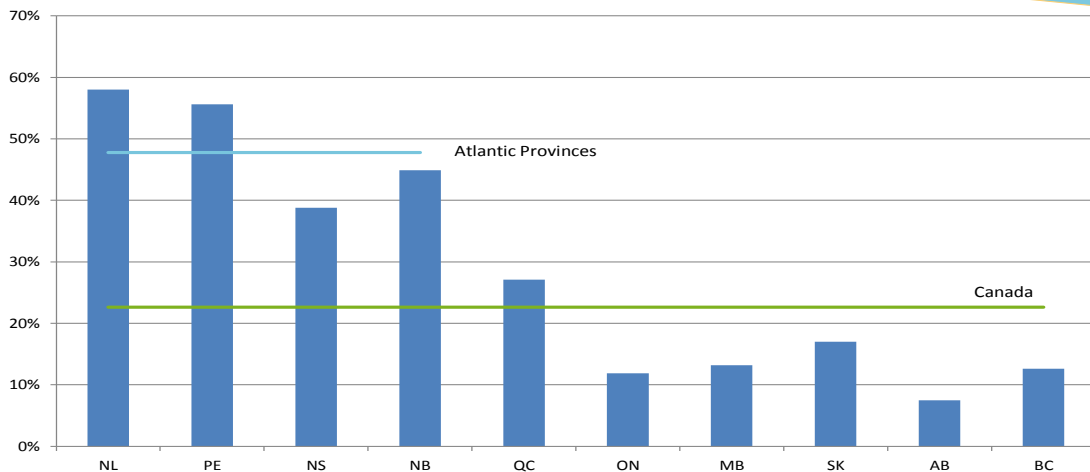
In 2010, 26.7% of people who worked during the year collected EI benefits. This percentage ranged from an average of 19% in urban areas to 38% in rural areas. In many rural communities, EI usage is even higher. For example in rural areas of Newfoundland and Labrador, almost 50% of those who worked during the year collected EI benefits.



EI benefit payments comprised 4.3% of total income in the Atlantic region in 2010, more than double the 1.8% for Canada. This percentage varied among provinces (from 6.4% in Newfoundland and Labrador to 3.0% in Nova Scotia). The importance of EI for a portion of total income is even more pronounced in rural areas of the Atlantic region (7.2% of total income). For example, in rural areas of Newfoundland and Labrador and Prince Edward Island the proportion of total income contributed by EI receipts is about 10%.

Another indicator of the importance of the EI program is the percentage of frequent claimants in the Atlantic Provinces compared to Canada. In Atlantic Provinces, 47.8% of EI claimants are classified as frequent claimants (meaning they have a documented attachment to the EI program for a number of years) more than double that of Canada as a whole (22.6%). The percentage of frequent claimants to total claimants ranges from 58% in Newfoundland and Labrador to 38.8% in Nova Scotia. While statistics are not available on an urban/rural basis, there is no doubt that the percentage of frequent claimants would be higher in rural areas.

Frequent Claimants as a % of Total Claimants, 2011/12

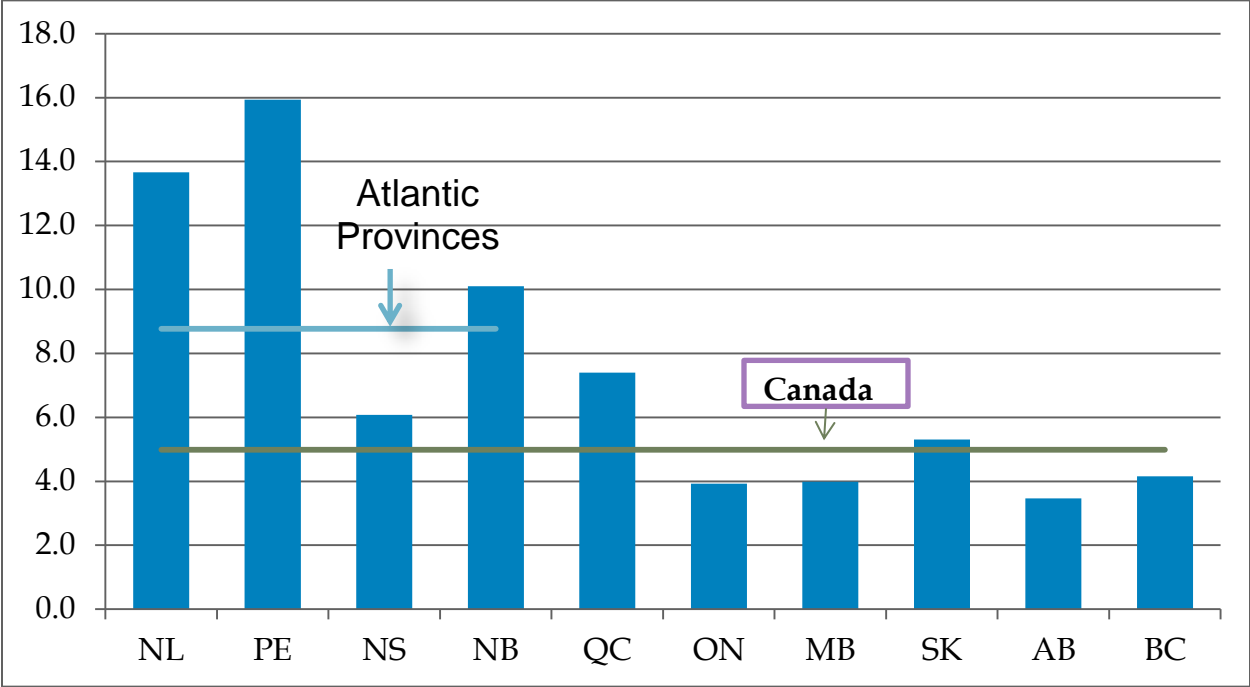


Source: HRSDC EI Monitoring and Assessment Report 2012, Economics and Statistics Branch, NL Dept. of Finance

This repeat use of the program reflects its importance to many employers. EI income helps bridge the gap in earnings for individuals who work part-year either in seasonal industries or other activities where work is of a sporadic nature. Therefore, the EI program is important not only to individuals who avail of this program but also to the many employers who rely on workers to return to their business every year as it enables pools of experienced labour to be available when needed. In this context, the EI program provides support to businesses and economic development in many rural economies.

Employment in Eastern Canada displays significantly higher seasonality than elsewhere in Canada with Prince Edward Island and Newfoundland and Labrador showing the highest seasonality. This can be observed in the following figure using a seasonality index which measures the degree of seasonal fluctuation in employment. It is calculated as monthly maximum employment minus monthly minimum employment, as a percent of annual employment. A simple interpretation is the larger the index number, the greater the degree of seasonality.

Employment Seasonality Index, Canadian Provinces, 2012¹

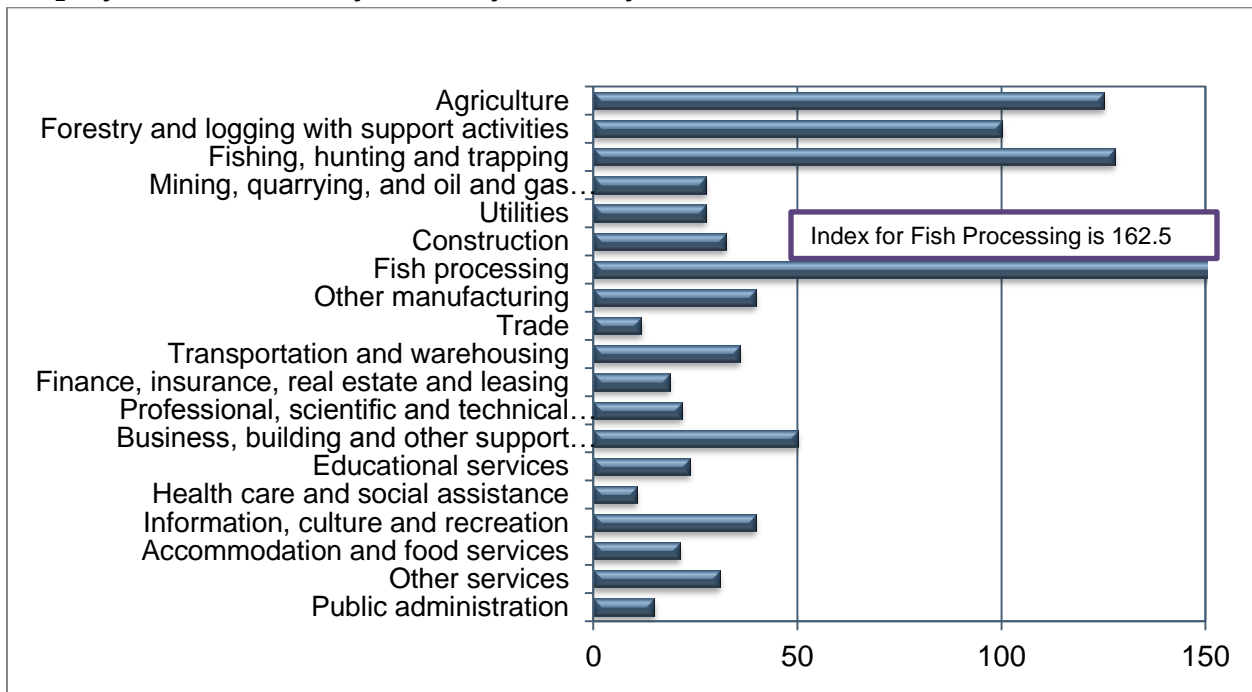


Source: Labour Force Survey, Statistics Canada; Economics & Statistics Branch, NL Dept. of Finance

As can be observed in the four following figures, seasonality varies across industries but is evident in all industries in the Atlantic Provinces. In general, goods producing industries are more seasonal than service producing industries. The services involved in the tourism sector have high seasonality in PEI.

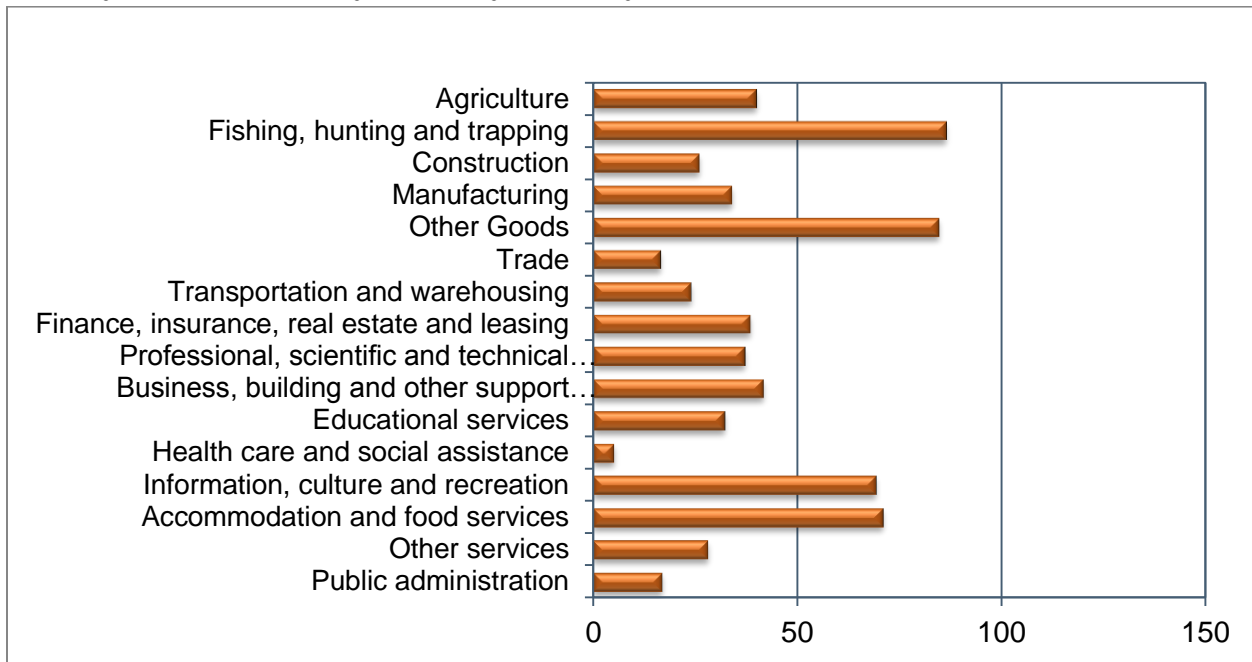
¹ Note: Seasonality index calculated as monthly maximum employment minus monthly minimum employment, as a percent of annual employment

Employment Seasonality Index by Industry, NL, 2012



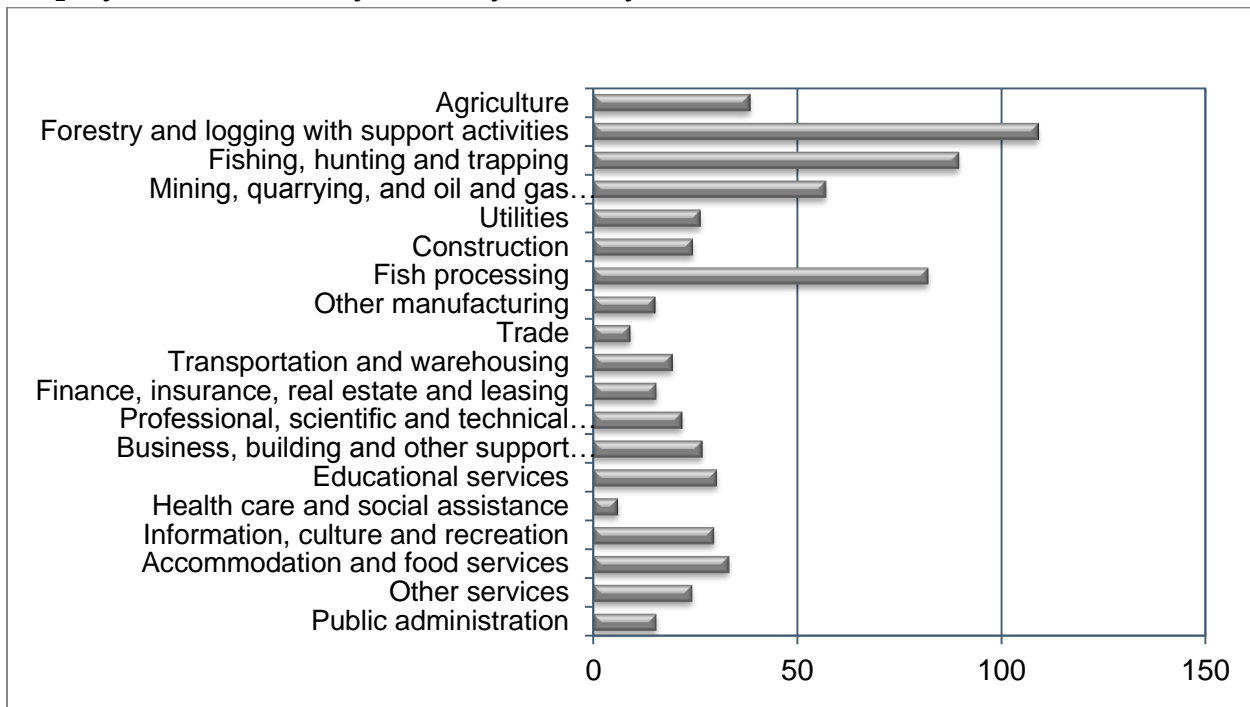
Source: Statistics Canada, Labour Force Survey; Seasonality Index calculated by Economics & Statistics Branch, Department of Finance

Employment Seasonality Index by Industry, PEI, 2012



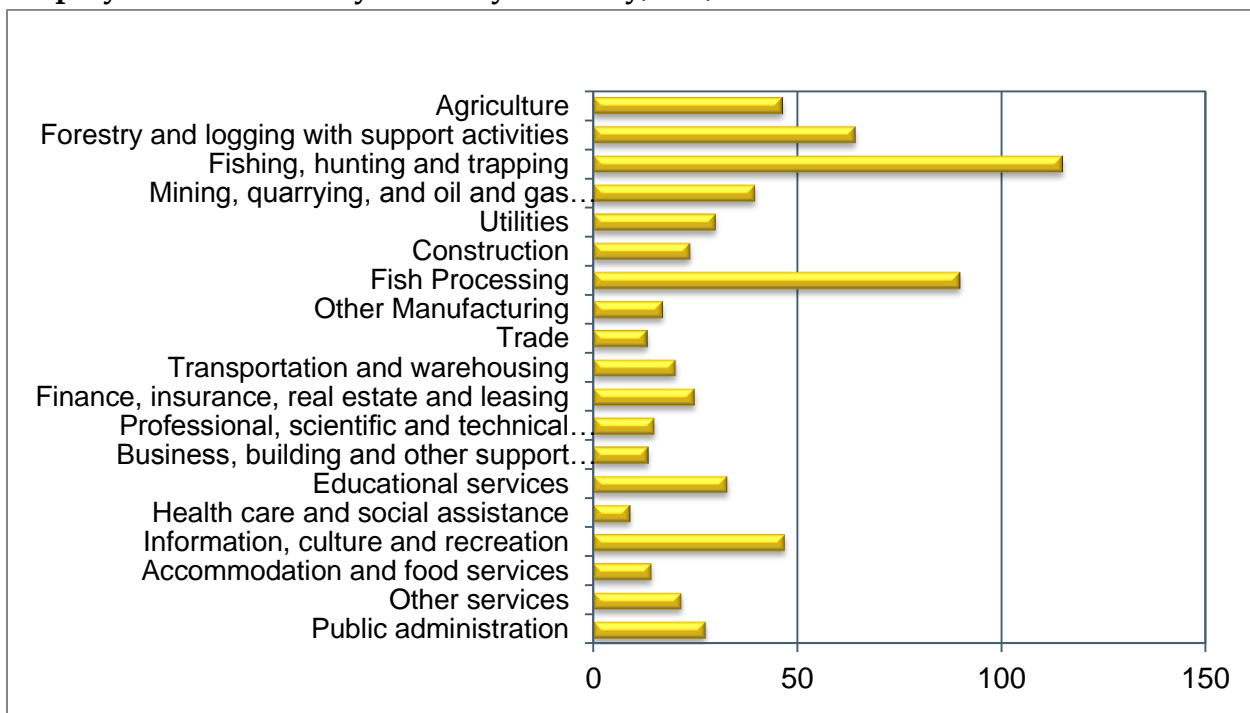
Source: Statistics Canada, Labour Force Survey; Seasonality Index calculated by Economics & Statistics Branch, Department of Finance

Employment Seasonality Index by Industry, NS, 2012



Source: Statistics Canada, Labour Force Survey; Seasonality Index calculated by Economics & Statistics Branch, Department of Finance

Employment Seasonality Index by Industry, NB, 2012



Source: Statistics Canada, Labour Force Survey; Seasonality Index calculated by Economics & Statistics Branch, Department of Finance

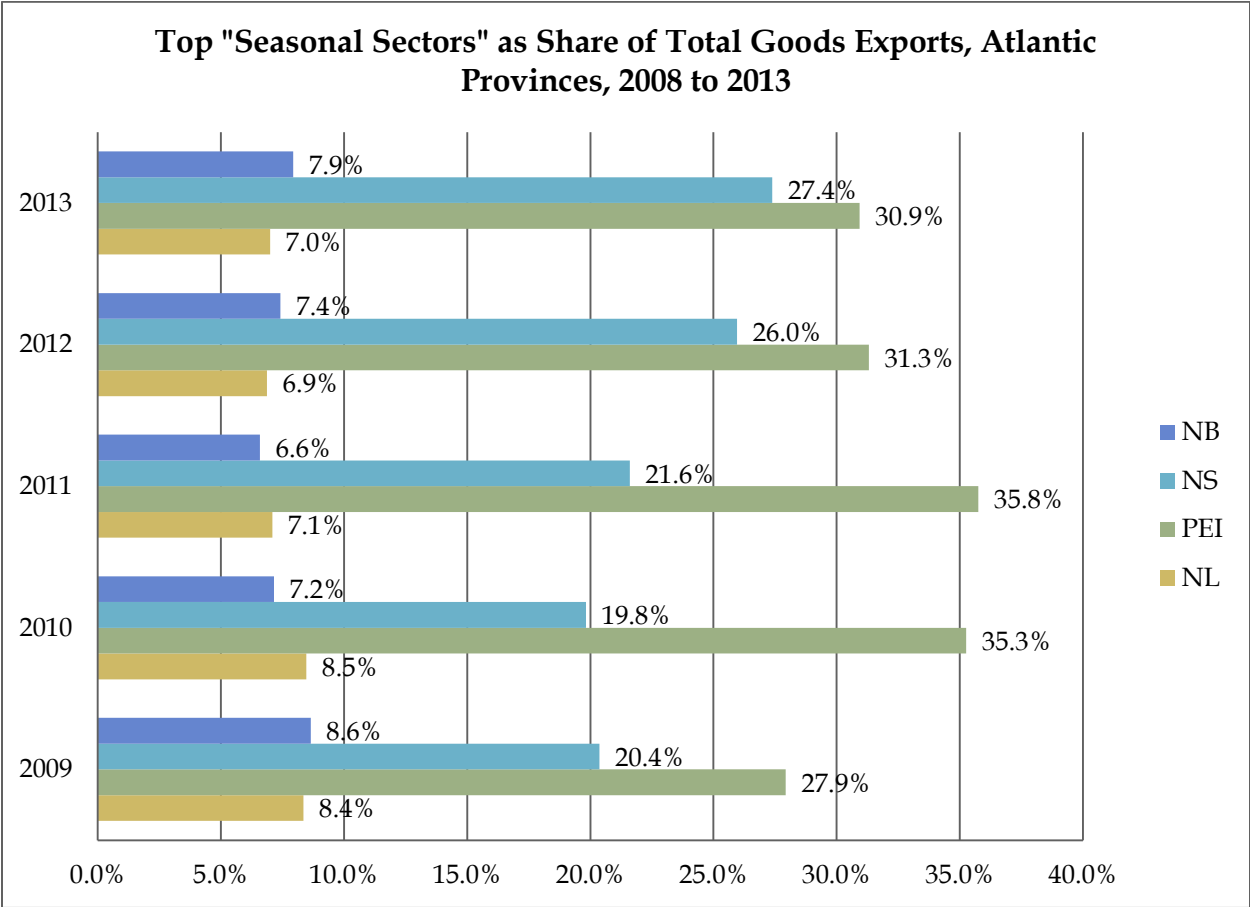
Seasonality does not mean that the sector is not contributing to the economy. To highlight the contribution of seasonal sectors to the region's economy, the following table provides the value of exports of five export producing "seasonal" sectors.

Table 1: Export Value of Five Export Producing "Seasonal" Sectors, Atlantic Provinces, 2009 to 2013					
NAICS 111 - Crop Production					
	2009	2010	2011	2012	2013
NL	\$50 901	\$55 055	\$32 334	\$21 802	\$298 709
PEI	\$64 748 646	\$60 134 469	\$97 047 937	\$71 306 250	\$78 641 109
NS	\$25 816 166	\$29 629 237	\$25 136 932	\$36 405 668	\$35 844 441
NB	\$109 467 783	\$89 891 358	\$111 002 115	\$80 273 502	\$76 781 191
NAICS 112 - Animal Production					
	2009	2010	2011	2012	2013
NL	\$2 252 601	\$4 708 614	\$10 267 914	\$12 823 043	\$15 001 369
PEI	\$29 883 025	\$34 808 521	\$33 626 972	\$38 581 268	\$39 265 486
NS	\$25 382 672	\$26 707 737	\$29 535 547	\$38 434 716	\$60 355 440
NB	\$126 079 145	\$138 019 677	\$129 240 419	\$209 898 308	\$204 336 020
NAICS 113 - Forestry and Logging					
	2009	2010	2011	2012	2013
NL	\$4 000	\$12 991	\$7 500	\$3 500	\$62 240
PEI	\$0	\$0	\$30 006	\$36 082	\$3 579
NS	\$283 519	\$224 725	\$208 003	\$1 303 206	\$1 020 197
NB	\$5 482 683	\$5 351 785	\$1 983 712	\$10 709 186	\$10 594 264
NAICS 114 - Fishing, Hunting and Trapping					
	2009	2010	2011	2012	2013
NL	\$7 465 828	\$9 251 700	\$9 761 989	\$8 022 486	\$8 915 068

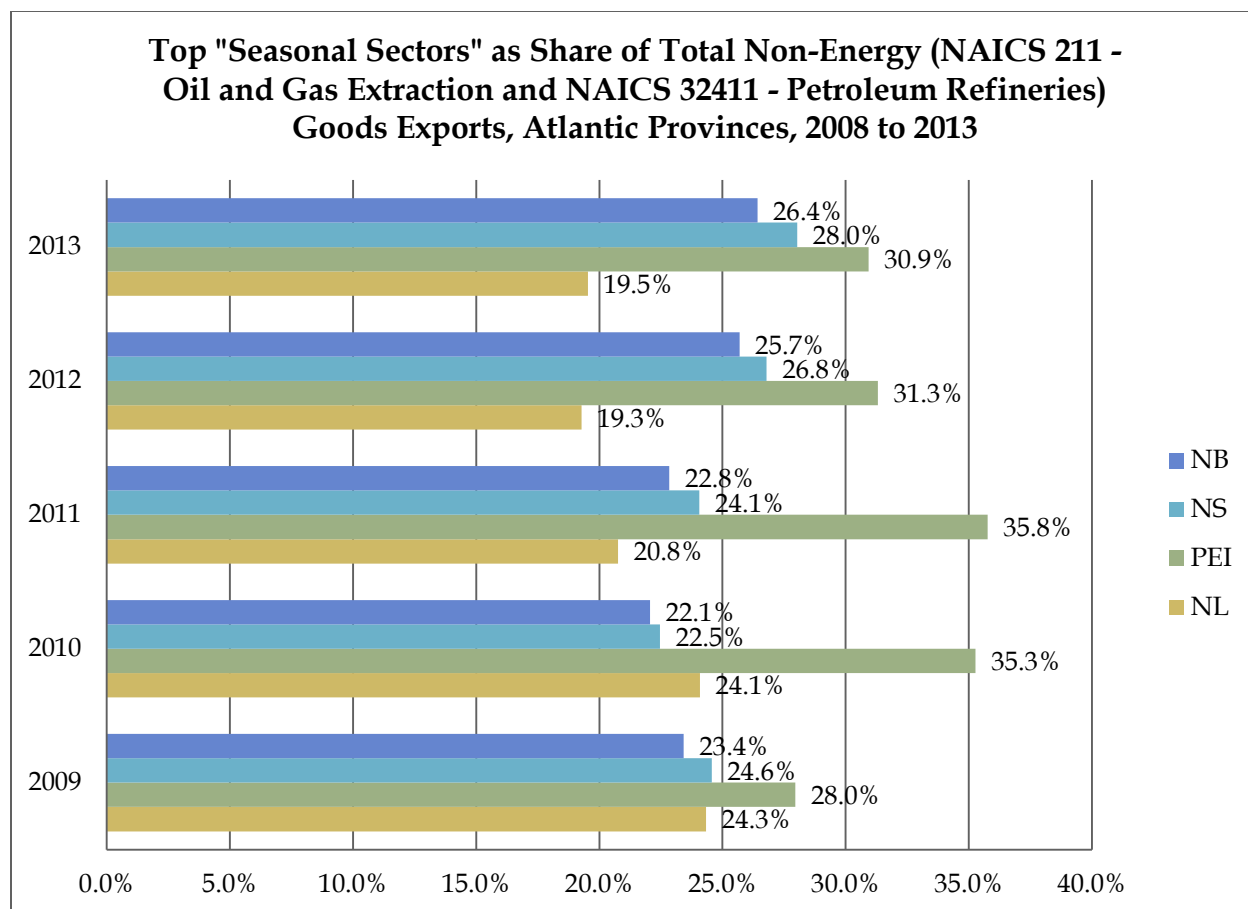
PEI	\$14 796 522	\$18 452 757	\$16 498 024	\$21 941 714	\$22 119 905
NS	\$429 858 210	\$394 465 841	\$438 505 874	\$433 223 091	\$522 388 584
NB	\$70 497 176	\$66 615 907	\$71 996 607	\$89 179 686	\$105 330 268
NAICS 3117 - Seafood Product Preparation and Packaging					
	2009	2010	2011	2012	2013
NL	\$711 396 747	\$768 358 708	\$840 421 087	\$754 421 740	\$802 996 736
PEI	\$110 404 449	\$138 796 506	\$122 606 062	\$140 829 432	\$146 421 363
NS	\$391 464 988	\$409 397 516	\$469 926 027	\$489 337 743	\$542 686 592
NB	\$538 774 159	\$608 461 036	\$661 841 831	\$708 754 700	\$750 709 238
Total - "Top Seasonal Sectors"					
	2009	2010	2011	2012	2013
NL	\$721 170 077	\$782 387 068	\$860 490 824	\$775 292 571	\$827 274 122
PEI	\$219 832 642	\$252 192 253	\$269 809 001	\$272 694 746	\$286 451 442
NS	\$872 805 555	\$860 425 056	\$963 312 383	\$998 704 424	\$1 162 295 254
NB	\$850 300 946	\$908 339 763	\$976 064 684	\$1 098 815 382	\$1 147 750 981
Atlantic CND	\$2 664 109 220	\$2 803 344 140	\$3 069 676 892	\$3 145 507 123	\$3 423 771 799
Source: http://www.ic.gc.ca/eic/site/tdo-dcd.nsf/eng/home					

These seasonal sectors are crop production and animal production (corresponding to agriculture in the previous figures), forestry and logging, fishing, hunting and trapping, and finally seafood product preparation and packaging (corresponding to fish processing in the previous figures). We do not have the value of exports for services. We can observe that during the past five years, the value of exports from these five "seasonal sectors" varied, for the four Atlantic Provinces, from 2.7 billion dollars in 2009 to 3.4 billion dollars in 2013. This represents an important part of the region's goods exports. For Prince Edward Island, as can be observed in the following figure, it represented between 27.9 and 35.8 percent of all goods exports. For Nova Scotia, the share varied from 19.8 to 27.4 percent, for New Brunswick from 6.6 to 8.6 percent and for Newfoundland and Labrador from 6.9 to 8.5%. If we exclude the oil and gas sector for the value of exports, the share increases to 35.8% for Prince Edward Island in 2011,

to 28% for Nova Scotia in 2013, to 26.4% for New Brunswick in 2013 and to 24.3% for Newfoundland and Labrador in 2009.



Source: <http://www.ic.gc.ca/eic/site/tdo-dcd.nsf/eng/home>



Source: <http://www.ic.gc.ca/eic/site/tdo-dcd.nsf/eng/home>

Tourism is another seasonal sector with a significant contribution to Atlantic Canada's economy. It generates total revenues of approximately 4.5 billion dollars, contributes between 1 and 6% of provincial GDP and generates approximately 2.5 billion dollars in non-resident revenue.

Overview of EI reform

In May 2013, the Federal Government announced the implementation of numerous changes to the Employment Insurance program designed to "make Employment Insurance work better for Canadians". The changes were implemented between September 2012 and October 2013. The development of the changes was completed without any formal input or consultation with relevant stakeholders including the provincial and territorial governments.

This project focused attention on five (5) of the areas of change which are described below. The effective date, the new change, and the estimated Federal Government savings are highlighted where possible:

1. “Connecting Canadians with Available Jobs” initiative

- Effective as of January 6, 2013
- Claimants must pursue reasonable and ongoing job search; efforts must be documented
- Claimants can be disentitled should they decline or not apply for suitable positions
- Suitable positions include those within an hour commute of residence for 70% of previous salary
- Increased job search effort is expected to result in shorter duration of claim periods
- Connections between the EI system and Temporary Foreign Worker program will be strengthened

The Federal government estimated that these changes will yield program savings of approximately \$12.5 million in EI benefits in 2012-2013 and \$33 million in 2013-2014 and every year thereafter. The government has also indicated that enhanced compliance measures will result in an estimated 8,000 claimants having their benefits temporarily discontinued.

2. “Working While on Claim” program

- Effective from August 5, 2012 to August 1, 2015 for regular and fishing EI benefits
- Beneficiaries keep 50% of their earnings while on claim
- Intended to encourage claimants to accept work and maintain connections to the labour market
- EI recipients have the option of reverting to the previous rules for the duration of their claim
- 55.8% of individuals who established regular claims in 2010-2011 worked while on claim
- Effects of the changes to “Working While on Claim” may be magnified by other recent policy changes for those with weak labour force attachment

3. Expiry of the Best 14 Weeks Pilot Project

- Effective April 7, 2013 regular EI benefits will be calculated using the highest weeks of earnings over the last year rather than the average earnings.
- From October 30, 2005 through April 2013 special measures were taken to provide enhanced EI benefits to workers living in participating economic regions.
- In these regions benefits were calculated based upon the highest 14 weeks of insurable earnings over the last 52 weeks. For regions not included in the pilot, the rate was based on the 26-week period prior to the claim.
- The number of weeks used to calculate your weekly EI payment will range from 14 to 22 weeks depending upon the unemployment rate in the EI region.
- Smaller number of weeks will be used in regions with a higher unemployment rate.

4. “Extended Employment Insurance Benefits” pilot project

Through the “Extended Employment Insurance Benefits” pilot project, EI income was increased by extending the number of benefit weeks up to 5 extra weeks to a maximum of 45 for those who qualified from participating economic regions. There were 24 economic regions involved in the pilot including regions from all four Atlantic Provinces.

Among claims established in 2010-2011, a total of 96,510 claimants used the additional weeks provided by the “Extended EI Benefits” pilot project, representing 30.3% of all EI regular benefit claimants during this period.

Of all EI regular benefit claimants, those categorized as ‘occasional claimants’ and ‘frequent claimants’ were significantly more likely to benefit from the pilot project than were long-tenured workers. As the Atlantic Provinces have high EI usage rates and a high proportion of occasional and frequent EI claimants, the cessation of this program in 2012 will likely have a disproportionately negative effect on claimants in this region

5. Social Security Tribunal (SST)

- SST will hear appeals for EI, CPP, OAS; effective April 1, 2013
- Replaces the former Board of Referees structure, which included approximately 1000 regional part-time board members and 32 umpires representing labour, employers and government
- SST staffed with approximately 74 full-time government employees, half of whom will hear appeals
- Time to appeal remains at 30 days

The Federal Government’s position is that the SST will be a more streamlined model. Employers and workers’ groups are concerned that this new structure will result in administrative delays and not support regional/local understanding*.

**Adapted from the Deloitte Report (September 2013) Pan-Atlantic study of the impact of recent changes to Employment Insurance: Report highlights in brief prepared for the Council of Atlantic Premiers.*

Advisory Panel Work Process

The Advisory Panel was appointed by the Atlantic Premiers in June, 2013. Between June 2013 and April 2014, the panel has met a total of two (2) times (July 2013, March 2014) in Halifax. In addition to in-person meetings, business was conducted through conference calls and email.

Each panel member worked with their provincial representatives to obtain a provincial context for the EI changes, receive background information on the province and labour market issues, and to develop the consultation process.

Throughout the project the Advisory Panel received information directly from subject matter experts, Federal Government representatives, and the Employment Insurance Commission (Appendix A). These interchanges provided an opportunity for the members to receive direct information and knowledge on the changes, the effects, and the intentions of the changes. The experts provided information on a provincial and national level basis.

In addition, the Advisory Panel exchanged information with the Quebec EI Commission as they were also completing comparative work on reviewing the effects of the EI changes on the citizens of Quebec.

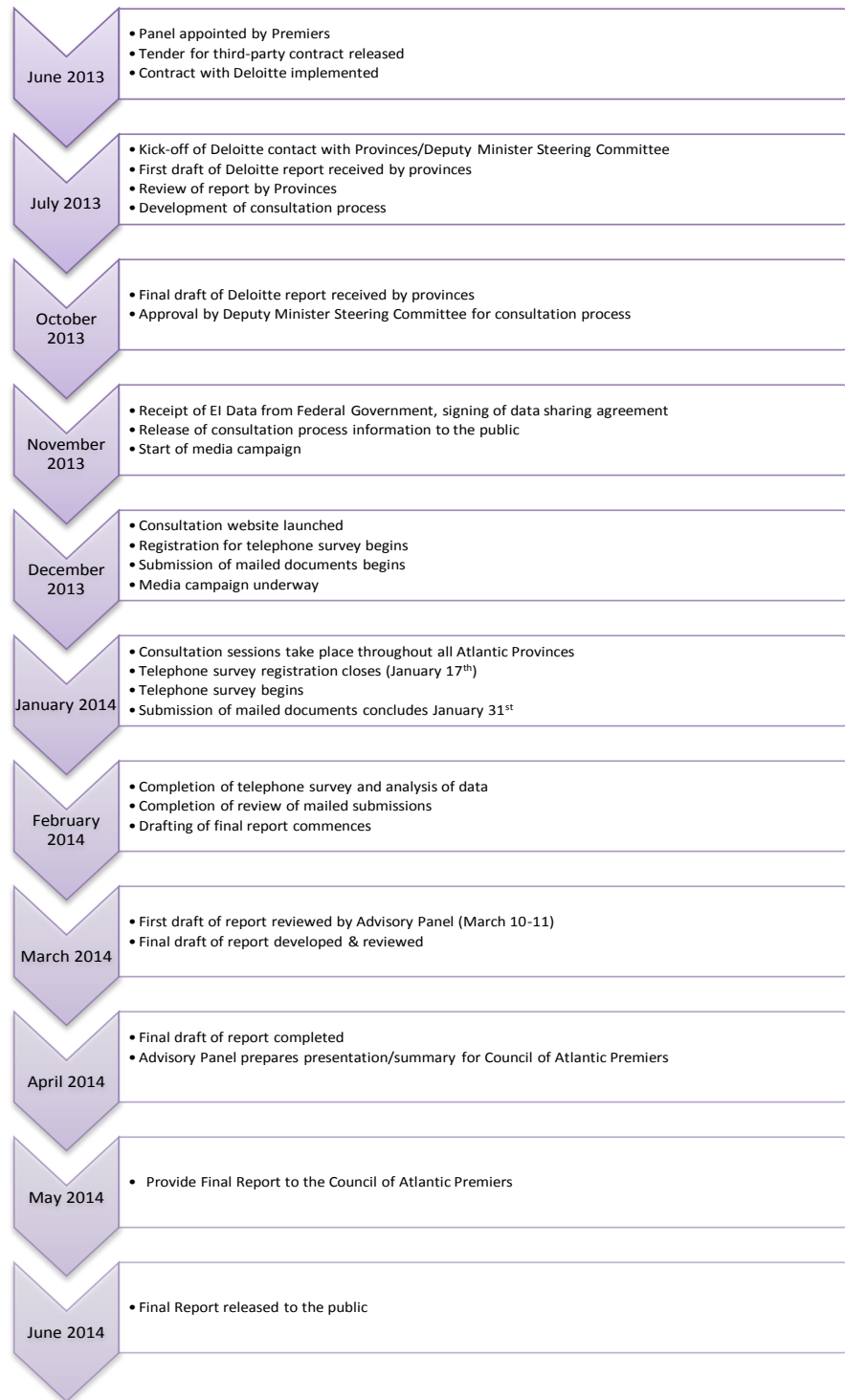
Project Oversight

The project, on behalf of the four Premiers, was directed by a Deputy Minister's Steering Committee composed of members of provincial departments responsible for labour market issues and intergovernmental affairs. The Steering Committee met via conference call on an as-needed basis throughout the project with New Brunswick acting as the chair. Updates on the project status and required approvals were presented to the Steering Committee by the Project Manager.

Chronology of The Panel's Work

The Panel worked together, in conjunction with Provincial representatives and experts and the Council of Atlantic Premiers, between June 2013 and June 2014 to complete the project work. This figure highlights the key milestones for the project.

Figure 1: Chronology of the Panel's Work



Third-Party Contract - Deloitte

In June 2013, after a competitive process. Deloitte was contracted by the project to (see Appendix B):

- Provide a qualitative and quantitative summary of the industrial structure of the regional and provincial economies and a quantitative summary of the history of EI usage within the Atlantic.
- Provide a summary of Employment Insurance data available on a regional, provincial and sectorial basis.
- Summarize the Working While on Claim Pilot Project, the Best 14 Weeks Pilot Project and the Extended Employment Insurance Benefits Pilot Project and the expiry and/or changes to these pilots..
- Summarize the Connecting Canadians with Available Jobs and the new Social Security Tribunal.
- Gather and summarize information on recent changes to enforcement including disqualification by cause data and analysis.
- Summarize what data has been found to be unavailable for each topic studied which, in the opinion of the consultant, would be needed in order to complete a fulsome analysis.

Deloitte worked closely with each of the provinces and the labour market staff to examine the currently available data and to develop a request to the Federal Government for any additional data that would be required to complete the scope of work. These additional data requests were denied.

A copy of the report highlights can be found in Appendix B. Some key findings:

- Employment by sector is different within the Atlantic Provinces than in the rest of Canada
- Unemployment in Atlantic Canada has exceeded the national average over the last five years
- Most seasonal industries are based in the rural areas of the Atlantic Provinces where unemployment rates are higher.
- All Atlantic Provinces had unemployment to job vacancies ratios significantly higher than the national average of 6.3 during the first four months of 2013 as compared to 2012. These ratios suggest that there should be a higher demand for EI in Atlantic Canada than elsewhere in Canada.
- The effects of the changes may be cumulative for those with weak labour force attachment and fewer qualifying weeks.
- In 2012, the Atlantic Provinces accounted for 17.8% of the annual average EI beneficiaries in Canada. Atlantic Provinces have proportionally more EI beneficiaries than other areas of the country.
- The majority of EI claimants in 2012 were in the 'regular benefits' category.
- The proportion of beneficiaries in the 'special benefits' category is higher in Canada than in the Atlantic Provinces. Since the recent changes to EI policy apply to those receiving regular benefits and fishing benefits these changes could have a proportionally higher impact in the Atlantic Region than elsewhere.
- The Atlantic Provinces have a much higher proportion of regular claims in the seasonal category than the rest of Canada. When all four Atlantic Provinces are combined, they represent approximately 26 % (out of a total of 46%) of all seasonal claims made in Canada in 2011-12.

- Average duration of seasonal benefits is typically shorter than regular claimants (19.9 vs. 21.6 weeks)
- Non-seasonal regular claimants are more likely to rely on EI for longer periods and are more likely to exhaust their benefits than are seasonal workers.
- There is not sufficient data available to perform an analysis on the impact of these changes on claimants and/or businesses in Atlantic Canada.
- EI is an essential support to the Atlantic Canadian economy

Deloitte delivered two documents to the provinces: *The Pan-Atlantic study of the impact of recent changes to Employment Insurance: Report prepared for the Council of Atlantic Premiers*; and *The Pan-Atlantic study of the impact of recent changes to Employment Insurance: Report Highlights in Brief prepared for the Council of Atlantic Premiers*. These documents formed the background information for the Panel and were utilized in the development of the consultation materials.

Synthesis of Consultations

In the absence of complete quantitative data and analysis, the consultations with Atlantic Canadians became the key input into the understanding of the scope and breadth of the issues with the changes and consequently the development of recommendations. To ensure that the Panel reached as many Atlantic Canadians as possible, three (3) channels were developed: In-person sessions, a telephone survey, and the acceptance of written submissions. All three options ran concurrently during the consultation process which ran between December 2nd 2013 and January 2014.

Provincial staff assisted in the development of a project communications plan and specific provincial implementation plans to ensure that stakeholders and the public were aware of the study. Stakeholder letters were directly sent to all provincially identified stakeholders outlining the study and the ways to participate. Stakeholders were encouraged to share this information with their members, employees, and other interested community members. Each province ran news paper advertisements which outlined the methodology for participation and provided the address for written submissions. In addition, Panelists and Ministers released news releases, completed interviews, utilized social media, and provided information to the media throughout the consultation period. A section of the Council of Atlantic Premier's (CAP) website was also developed to provide all of the required information for participation and the registration for the telephone survey. Provinces also provided information on the sessions on their provincial websites.

To guide participants in the in-person sessions a *Discussion Paper to Guide Atlantic Consultations* was developed by the working group to provide some background information and to provide some discussion questions. This document was provided to the public on the CAP website.

In-Person Sessions

Methodology

The opportunity for interested stakeholders to participate in a session with a panel member was provided in each Province in a 'round table' format which allowed registered participants to have a robust discussion on each of the EI change areas. These sessions were led by the provincial Advisory Panel member and supported by provincial staff.

Sessions were located within communities in each of the Province to meet the following criteria:

- distributed across the province
- located in communities/areas that have experienced effects of the changes

Potential participants were notified through the stakeholder letters and Provincial and project communications plans. Fact-sheets were developed by the working group to provide additional background information to the Panel. These documents would provide a quick reference to the changes and the potential effects on clients.

A discussion document entitled: *Discussion Paper to Guide Atlantic Consultations, November 2013* was prepared by the project to provide an overview of the changes and to provide some discussion questions that should be reviewed by interested participants in preparation for the sessions. This document was emailed to stakeholders with the invitations and provided electronically through the CAP website. Below is a listing of the discussion questions:

1. Broadly, what is your opinion on the changes the federal government has implemented to Employment Insurance?
2. In your experience, how have any of the following changes to Employment Insurance impacted employers or businesses?
 - a. New rules around what constitutes a "reasonable job search" and "suitable employment" while on claim
 - b. New formula for benefit calculations while working on claim
 - c. New formula for calculating benefits based on your weekly earnings
 - d. Canceling the pilot project that gave claimants an additional five weeks of benefits

- e. Establishment of a new appeals process
3. In your experience, how have any of the following changes to Employment Insurance impacted employees or claimants?
- a. New rules around what constitutes a “reasonable job search” and “suitable employment” while on claim
 - b. New formula for benefit calculations while working on claim
 - c. New formula for calculating benefits based on your weekly earnings
 - d. Canceling the pilot project that gave claimants an additional five weeks of benefits
 - e. Establishment of a new appeals process

The following table summarized the provincial consultations:

Table 3: Summary of Provincial In-Person Consultations

Province	Date	Location	Number of Participants
New Brunswick	January 7	Tracadie	7
	January 8	Miramichi	3
	January 9	Shediac	9
	January 17	Grand Falls	6
			NB TOTAL: 25
Newfoundland & Labrador	January 16	St. John’s	6
			NL TOTAL: 6
Nova Scotia	January 15	Sydney	21
	January 16	New Glasgow	6
	January 21	Liverpool	4
	January 23	Halifax	12
			NS TOTAL: 43
Prince Edward Island	January 14	Tignish	9 (32 in attendance)
		Summerside	8 (20 in attendance)

Province	Date	Location	Number of Participants
	January 20	Montague	14 (41 in attendance)
		Charlottetown	12 (33 in attendance)

PEI TOTAL: 43 (126)

Total Participants	13 sessions		117
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A total of 16 consultations (four (4) per province) were scheduled to take place between January 7th and 23rd (Figure 2).

Figure 2: Scheduled In-Person Consultation Locations, January 2014



Observations

We heard very similar messages across all of the provinces during the in-person sessions. Each session was different as the make-up of the participants/groups varied. Some sessions were heavily weighted towards employers while others were more balanced in perspective.

Below is a synthesis of the general observations from the sessions.

Connecting Canadians With Available Jobs Initiative

- Dislike of the 3 classifications of claimants was for many groups very clear. We heard words like “discriminatory”, “derogatory”, and “unfair”
- Strong belief that out-migration from the provinces is a direct result of the changes
- Perception that the travel expectations could have significant impact on quality of life for individuals and families.
- Job search activities are adding burden on claimants, employers, support agencies
- ‘De-skilling’ concerns for claimants who have to take lower-level positions at reduced pay
- Sustainability of a seasonal workforce is high concern for employers
- Increased costs for training and recruitment for employers

Working While on Claim Project

- Financial disincentive now in place with changes
- Program is providing unintended results such as underground economy, people not accepting part-time work
- Confusion over new vs. old system and the benefits of each
- Seasonal industries are finding it difficult to bring in workers for short-term work in the off-season

Best 14 Weeks Pilot Project

- Participants received higher payments on their claims than if the pilot wasn’t in place
- Agriculture sector employers found it helpful to maintain workers over whole harvesting season
- System is now available to all of Canada.
- Only effects urban areas due to low unemployment rates
- Combined with loss of the Extended Employment Insurance Benefits Pilot Project these two combined provided financial losses for claimants

Extended Employment Insurance Benefits Pilot Project

- ‘black hole’ is being experienced by many seasonal workers as their claims run out and the seasonal work has not begun
- Less money in communities

- This was designed to be a temporary measure not a long-term change to the EI program

Social Security Tribunal

- Observed a great deal of fear of the change regarding appeal processing, ability of people to engage in the new process
- Centralized approach was raised consistently as a concern as lack of independence of the members (appointed) was raised as an issue
- People are unable to appear in person -this hurts those with literacy issues
- Concerns were raised regarding the anticipated extended timeframes to address appeals and the effects on claimants and their families
- Increased supports are needed to assist people navigate the new system

General Comments

- The lack of any formal process for input or broad consultation by the federal government has created communication challenges and weak support for the end goal of improving the system.
- As a result of the lack of consultation with stakeholders by the Federal Government prior to implementation, this has led to the need for updates to the changes and this has further eroded confidence that the original EI program changes were conducted in a thoughtful and 'best for Canada' approach
- Increased underground economy as a result of the changes
- There is a strong perception that the value of the seasonal economies in Atlantic Canada are not well understood or valued for their contribution to the Canadian economy generally.
- Employer associations are generally supportive of the EI reforms as they have lobbied for increased due diligence and control within the EI system
- There were numerous statement of support for provincial programs and services that take a long-term view and support the facilitation of individuals off of EI and into full-time employment.
- Capacity and service issues at Service Canada have resulted in many client issues and this is being connected to the timing of the changes.
- Special provisions within the EI program for seasonal workers with long-term attachment to the labour market should be examined

Telephone Survey

Methodology

To provide an alternate option to participate in the consultation process for residents of Atlantic Canada who were currently on an EI claim or had collected EI within the past year, a telephone

survey was developed and implemented. The survey, created by the NL Statistics Agency, consisted of thirty-eight (38) questions that were designed to be completed within approximately fifteen (15) minutes (Appendix D).

To participate in the survey, claimants called a 1-800 telephone number or completed an online form on the Council of Atlantic Premier's website. The survey registration was open between December 2nd, 2013 and January 17th, 2014. The registration was originally scheduled to conclude on January 7th but due to low numbers of registrants, the period was extended by ten (10) days and the new deadline advertised within the provinces.

Registrants were contacted by the NL Statistics Agency call center to complete the survey and the results captured in a database. This method allowed the operators to assist participants with understanding the questions and ensuring that participants met all of the requirements for participation in the survey.

Table 2: Summary of Online Survey Results

Number of Survey Registrations:	27
Number of Completed Telephone Surveys:	20

Observations

As numbers of participants was low (20 completed surveys), a true statistical analysis on the responses could not be completed. Privacy issues were also a factor in the final analysis and resulted in the grouping of the final survey data. It was not possible to complete any provincial-level analyses. The results of the data have been utilized as feedback from the survey participants. This process is in no way a true survey or representation of Atlantic Canadians who utilize the EI system.

Of interest is the high-level of continued concern (90%) that the EI changes will impact or have impacted the survey participants negatively.

Written Submissions

Methodology

Notification of the opportunity to submit written documentation to the Panel was provided through letters to stakeholders, newspaper advertisements, news releases, and on the CAP website. A dedicated mailbox was set-up in New Brunswick to manage all of the submissions.

To ensure privacy concerns were addressed, a permissions slip was developed and provided to ensure permission from authors to share information contained within the submitted documents within the report. Any documentation that was received without a written approval to share the contents was utilized without acknowledgement of the source.

During some of the in-person sessions, participants submitted documents and/or presentations to support their perspectives. These documents were reviewed by the provincial staff and the information included within the information summarized for these sessions.

Observations

A total of twenty four (24) submissions were received across all provinces. The majority of the submissions (62.5%) were received from interest groups. Many of these groups also participated within the in-person sessions and subsequently submitted summary documents. Only one (1) submission was received from an EI claimant in the process. Each document was reviewed and a summary provided for the Panel for their information.

Table 4: Summary of Provincial Written Submissions

Type of Respondent	# Respondents by Province					Total	% of Total Submissions
	NB	NL	NS	PEI	Unknown		
Employers	2	0	1	0	0	3	12.5 %
Employees/ Claimants	0	0	1	0	0	1	4 %
Interest Groups	4	2	3	6	0	15	62.5 %
Government	1	0	0	2	0	3	12.5 %
Other	1	0	0	0	1	2	8.3 %
Total	8	2	5	8	1	24	

The feedback from the written correspondence closely mirrored the opinions shared within the in-person sessions. Below is a synthesis of the general observations from the submissions.

Connecting Canadians with Available Jobs Initiative

- Similar concerns were raised on the implementation of 3 categories of workers
- Transportation issues were frequently raised with the length of travel and the realities of rural Atlantic Canada.
- Women are adversely affected by the changes and the need to travel further for employment as they are the primary caregivers
- Downward pressure on wages will be the result of having to accept work at 70% of previous wages
- Positions within the school boards are laid off for a period of two (2) months over the summer and are required to look for work outside of their skills within 6 weeks. These claimants will be rehired in 8 weeks and will return to this employment when the school season returns.

Working While on Claim Project

- Similar issues raised on the confusion between the two options and the determination of which system would provide the highest financial return.
- Changes act as a disincentive for workers for part-time work which affects employers ability to complete work requirements

Best 14 Weeks Pilot Project

- Many workers took advantage of this pilot project which resulted in higher EI earnings than the current program
- Atlantic Canada is reliant on seasonal employment which can be affected by many factors which directly influence the length of the season and the hours of employment available

Extended Employment Insurance Benefits Pilot Project

- On a national level, 30% of the EI claimants utilized this program (unsubstantiated claim)
- Negative impacts of the changes disproportionately affect those living at low income levels

Social Security Tribunal

- Lack of independence of the members (appointed) was reiterated as a large concern
- Perceived new system is intimidating to many claimants which the submissions proposed would result in client inaction
- Two of the funding partners in EI (Business and Labour) do not have representation on the Tribunal

General Comments

- Significantly smaller number of people are eligible for EI today

- The ratio of people to available jobs is higher in Atlantic Canada and effects the opportunities to obtain full-time/other employment
- Issues with the management of apprentices in the system needs further communication with apprentices, employers, and Service Canada to ensure that their claims are processed appropriately and delays do not incur due to processing errors.
- Employers are losing long-term seasonal employees which increases costs for productivity, hiring, etc.
- Temporary Foreign Workers continue to be a necessary requirement for employers in areas where there is limited availability of suitable workers
- Employers are receiving more applications and more interest in positions but people are not actually interested in working
- Increased use of community services such as food banks
- Communities are losing volunteers (firefighters, coaches) as claimants are leaving the area for work due to fear of benefits loss
- Proposed that entire EI system be reviewed
- Some groups have highlighted the need to have a broader conversation on EI system to revisit the purpose of the program and the desired outcomes. A holistic approach was suggested to ensure all aspects of the program are reviewed together.

Data Analysis

The analysis of EI data from the Atlantic Region was intended to be a key part of the work completed by the 3rd party contractor and provide valuable input into the information base for the Advisory Panel. Throughout their work, Deloitte identified a number of data elements and data sets that would be essential for the completion of a thorough analysis of the effects.

The Project Manager submitted numerous requests to HRSDC for the data but we were denied access due to confidentiality and data readiness issues. These requests were continuously pursued with the Federal Government throughout the project.

In November, 2013 approval was provided to the Project Manager for the dissemination of the Atlantic data for the purposes of research under the management of the province of New Brunswick. An information sharing agreement was developed and signed to allow for the data to be shared with the project. The data was based on a 100% sample of EI recipients from the Atlantic Provinces from 2009 to date. All personal information was masked for privacy.

The following information per individual was provided to New Brunswick:

- postal code (first three digits)
- age at benefit period commencement
- unique identifier (personal identifier/sequence number)

- preferred official language (French or English)
- gender
- visible minority (where available as self-identified information)
- aboriginal group (where available as self-identified information)
- EI claim status
- number of entitlement weeks
- benefit period commencement
- first week of the last claimant's report sent
- insured weeks/hours
- last week processed
- total number of weeks paid
- National Occupational Classification (NOC) code
- weekly benefit rate
- renewal week
- total benefits paid since the claim began
- insurable earnings
- North American Industry Classification system code

LMI experts and HRSDC held several conference calls to ensure that a complete understanding of the data was obtained and that the required analysis of the data could be mapped. Within the provinces the capacity to manage this type of data request in a short timeline (>5 million records) was not available. It was agreed that as the data provided only information on claims up to July 2013, that the data timeframe would not allow for a robust analysis of the actual effects of the changes. The data remains in the possession of the province of NB where, if deemed prudent, could be combined with more current and ongoing data, to ensure effective future analysis.

Conclusions and Recommendations

Throughout this process, the Panel had the opportunity to meet with experts on EI (Service Canada and the EI Commission) to fully understand the changes and the intended effects. We received input from EI claimants (current and past), businesses, community groups, workers groups, and political representatives (Federal, Provincial, and Municipal) across all four Atlantic Provinces. Information was shared with us through the in-person sessions, the telephone survey, and the written submissions.

We focused our recommendations based solely on the input we received through this study. We had anticipated receiving information on some of the changes that did not materialize. We also acknowledge that in all cases we did not receive contributions from all of the affected sectors,

groups, businesses, and communities despite advertising of the sessions and providing three (3) methods to participate.

We heard from the stakeholders and labour market specialists that the complete effects of the changes may not be fully realized at the time of the study data collection. For example, the loss of the Extended Employment Insurance Benefits pilot project was anticipated to have a significant effect on seasonal workers during the gap period between the end of their EI claim and the start of their seasonal employment in 2013. We heard from seasonal workers and businesses that due to increased availability of work at that time a large gap (often referred to as the 'black hole') was not realized. However, we did hear suggestions that the 2014 gap may be more significant and would traditionally occur outside of our study timeframe.

As a result of synthesizing all of the input, we have developed the following recommendations and respectively submit them to the Council of Atlantic Premiers for their consideration. The recommendations appear in order of 'theme' rather than any intended order of strategic importance.

1. *Federal Government should commit to collaborate with the Atlantic Premiers to better understand the unique economic environment in the Atlantic Provinces and the role of the Employment Insurance program in workforce and income stability, particularly in seasonal industries.*

Throughout the study, we repeatedly heard the message from participants that EI is a support for workers and one that is essential to families, businesses, and communities in our Region. We heard of increased social and cultural impacts on communities in all of the Provinces as a result of labour market changes in seasonal economies.

We also received strong indications through our consultations that in seasonal economies EI was an important labour market tool. The message was very strong that claimants felt that this support was required to ensure that they, and their families, could continue to live in their communities and work in local, seasonal industries. Employers indicated that EI was an essential support to ensure that they maintained their trained workforce and that they could operate during times when they could not offer full employment (e.g. end of resource seasons). There is an opportunity for long tenured workforce attachment in seasonal industries to be recognized.

There was recognition that a national program cannot meet all regional needs; however it was felt that consultation with the provinces prior to announcing the changes would have mitigated a number of issues and unintended consequences. Future changes to the program needs to be a collaborative process that includes the input from provincial partners. There

was a general theme of support for a review of the EI program to address inefficiencies and ineffectiveness.

This provides an opportunity for the Atlantic Premiers to continue to strive for increased understanding of the needs of the employers and employees in the Region and to build the business case for the recognition of the value of seasonal work and the unique requirements for these industries.

2. *Improved communications to claimants, Provincial staff, and Service Canada staff is required by the Federal Government to clearly define all aspects of the changes and to clearly advise the public of the intent and the delivery of the EI program changes.*

Throughout the input gathering process, we repeatedly heard misinformation being provided by claimants, union groups, public interest groups, and employers. The changes that were implemented in January of 2013 are clearly not understood in this region by all people. By communicating with clients only at a time of enforcement this creates an environment of fear which has only exacerbated the levels of concern among residents and distrust of the intent of changes by the Federal Government.

There were examples of varying interpretations by Service Canada staff of the changes. Whether real or perceived there is an impression that service standards have been affected and that interpretation of the changes may also change over time. Clarity is essential for compliance. For example, one definition that was identified to us as problematic was the requirement to look for work within a 1 hour commute from their residence. We believe that a great deal of the fear and concern that we heard would have been mitigated had there been an effective communication strategy in place prior to the changes and throughout the first year of the changes.

When the EI program changes were revised (Working While on Claim, Fisheries Benefits) Service Canada staff was found at times to be uninformed and unable to provide timely information. We heard this as a consistent theme at all in-person consultations. The importance of Service Canada staff being thoroughly briefed when changes are made is crucial, so they are able - and available - to assist citizens as soon as the decisions are made and claims are affected.

3. *Service standards for the effective delivery of the EI program must be implemented and adhered to in order to provide the required support to claimants and ensure that claims are correctly processed in an efficient manner.*

The Panel heard stories from every Province of the impact in service standards at EI centers that affected wait times. There was not enough feedback to determine the scope of the impacts however the impression is strong that service has been affected by implementation of changes and Federal staff cut-backs. Resource groups in the provinces spoke of the difficulty of getting through the 1-800 support line for assistance - in fact we heard numerous stories of people taking days to be able to get into the operator queue as the line was too busy to accept other callers. While these changes alone cannot account for increased pressure at the provincial level, it is clear that this reduced level of service has exacerbated social issues and provincial agencies have reported increased use of provincial programs as a result.

4. *A clear directive from the Federal Government needs to be provided to remove the remaining ambiguity regarding the interpretation of how workers who have worked out of province or at a location beyond a one-hour commute in the past will be treated under the new EI changes requiring claimants to accept work of this nature in the future.*

Under the 'Connecting Canadians with Available Jobs' initiative the commuting time description states the following: '*job opportunities may be considered to be suitable employment if the workplace is within a one-hour commute from your home – acceptable commuting time could be longer when taking into account your previous commuting history and the average commuting time in the area where you live*'. We heard numerous instances of people who had taken positions outside of the province on a temporary basis who had returned and now wanted to remain within the province when work became available. The concern raised was that people would be forced to return to out of province locations by Service Canada or penalized if they did not. At a time when the provinces are supporting and encouraging workers to repatriate to the Atlantic Provinces this is a concern.

Furthermore, it was suggested that this fear of being required to continue to accept long-distance work could lead individuals not to seek work outside the one-hour radius for fear that this would affect them in the future if their circumstances changed and they could not work that distance from their home. This mentality is counter-productive to the development of skills and attainment of work experience that may lead to local work opportunities in the future.

5. *The Working While on Claim program financial support formula needs to be revised to ensure that claimants will utilize this program and employers can find workers for short-term employment opportunities.*

The Panel heard numerous examples from claimants and from employers of ways that the changes to this program are creating a disincentive for many people to work while on claim, which in turn affects local businesses and their ability to operate. We heard many examples of calculations where claimants were disadvantaged and where financial benefits from the program were not realized until a minimum 20+ hours of work was achieved. As well, in many rural economies the additional costs to get to work further discouraged an employee from working at 50% of wages. We frequently heard from claimants and businesses that the result of the change has been an increase in the underground economy where payments are made in cash with no financial records. This results in a loss for the Government in tax revenue and for the claimants in insurable hours, as well less money circulating in rural economies. (See sample calculations in Appendix C – Nova Scotia, Working While on Claim Project feedback)

There also appears to be continued confusion over the new vs. old programs and the ability to utilize either and the ramifications of choosing one over the other. We heard that calculating which method was better was difficult for many and that the implementation of an online calculator or tool would be effective. Utilizing the old program also requires increased efforts by claimants to manage manual reporting as they are unable to input electronically their information.

It appears that this change is not a net benefit for government, employers or employees and a more progressive approach would be to incent businesses extending their season and look at innovative ways to build new economic activity.

6. *Increased information, communication, and supports are needed for claimants regarding the Social Security Tribunal (SST) to ensure that it is a fair and effective mechanism for the review of EI Claims.*

There was a general feeling that the changes to the SST will not be positive. Although data was not available to substantiate this, the concerns raised were around the ability of residents to be able to complete the required paperwork to initiate the assessment process and the lack of supports available to assist individuals. Literacy issues were raised on numerous occasions as a barrier to participation in this process which is suppose to be designed to be available to all claimants. The requirement of a support mechanism is

needed at a minimum for the initial years of the new service, to ensure that claimants can participate effectively in this service. Currently, this role appears to be falling on provincially contracted service providers who work with this clientele and this type of work is out of the scope of their roles and responsibilities. This service needs to be available at all Service Canada offices as an in-person service. Communication around this change and identifying supports for people will be important to mitigate perceptions that the system puts individuals at a disadvantage.

As noted above, lack of information regarding the function of the SST is also an issue as it is difficult to track the timeframes, success rates, etc. We heard numerous references to a reduced number of claims being reviewed and long delays in the process but were unable to substantiate these claims with actual results from the Federal government.

7. *Request the reinstatement and availability of the Best 14 Weeks and the Extended Employment Insurance Benefits Pilot Project for all economic regions where high seasonal employment occurs.*

The Best 14 Weeks pilot project allowed for employers to maintain their workforce and for employees to gain income during the shoulder periods of seasonal employment. As seasons ramp up or start to slow down there is still valuable work to be completed that is not full-time employment for the entire workforce. This work is essential to successful seasons and needs to be accomplished. By removing this project and increasing the number of weeks that must be used for EI calculations, working partial weeks becomes a disincentive for workers and an issue for employers.

The removal of this project in combination with the removal of the Extended Employment Insurance Benefits Pilot Project provided a two-fold hit on seasonal workers. Shorter total claims resulted in a 'black hole' situation and differing calculation methodologies resulted in lower claim amounts. Approximately 55% of Atlantic Canada's population was in an EI Economic region covered by the Extended Employment Insurance Benefits Pilot Project vs. 11 % of the national population (Government of PEI). The Panel recommends that this pilot project be re-instituted in areas of high seasonal employment. This would assist in keeping existing worker resources in place and therefore contributing to the continued viability of businesses in these regions.

We heard examples of increased usage of community and provincial supports as a result of these changes.

8. *Federal commitment to provide EI data to the provinces to ensure ongoing monitoring of the effects of the EI Changes*

It was observed in all of the sessions that the effects of the changes have not been as severe as anticipated. However, indicators suggest that the full effects of the EI program changes have not yet been felt in Atlantic Canada. Some of the changes (e.g. SST) have not had time to be fully examined as to their effectiveness and the impacts on claimants. There is also a strong concern that the enforcement of the changes has not been fully implemented at this time so that the effects have not materialized to date. Should the enforcement level change, there may be more or different effects identified.

In addition, the comprehensive analysis of the EI data provided by the Federal Government is still outstanding. Timely reporting of the results and effects and sharing of the data by the Federal Government is essential for the provinces to be able to monitor effects as they occur.

In order to effectively complete the analysis it is essential that the provinces receive a commitment from the Federal Government to provide EI data directly to each province as it is available. The data sharing agreement would need to provide all requested/required information as identified by each Province and include individual records rather than aggregated data. Data on the effectiveness of EI claim processing must be included and provided on a monthly basis to ensure that issues can be addressed as they occur.

Clarity regarding the changes to the EI program and any future changes needs to be articulated to the Provinces to ensure that effective analyses can be implemented. This is critical considering the difficulty in determining effects on claimants/provinces given the relatively short periods of time that have elapsed since the implementation of the changes.

We propose that a collaborative approach be taken to develop an Atlantic focus on the analysis. An intergovernmental working group of officials could be tasked to monitor the ongoing effects for the changes to the EI program to provide clarity to the provinces. A commitment to reviewing the data and providing provincially specific and pan-Atlantic foci is proposed with ongoing data monitoring on a yearly to 18 month timeframe.

Moving Forward

Throughout the study, the Panel received numerous suggestions and ideas for the effective management of the EI program, seasonal employment, support programming, and business development in the Atlantic Provinces. As we felt these items were out of the scope of this study, we did not include this information in our recommendations. However, we feel that there were some significant themes that were heard across the provinces that we felt were

significant in facilitating the shift that is needed to change the conversation surrounding EI and the Atlantic region.

It is the feeling of the panel that there exists an incorrect perception that Atlantic Canada has an ongoing entitlement to EI benefits as an economic driver of the Maritime economy. The seasonality of the economy is a reality however there exists a strong opportunity to properly support our seasonal economies and better utilize our workforce more effectively. By matching training and educational needs with the needs of Western Canada, this can be a win-win for both regions. More collective thought and energy should be put towards matching the needs of the two areas so that workers can stay in their home provinces while meeting many of the requirements of the expansion and growth in Western Canada. It is the view of the panel that a nationally focussed strategy is required that examines the existing infrastructure and how it can be strengthened rather than how regional economies can be dismantled. The following recommendations could form the cornerstones of this strategy.

Implementation of an Atlantic Strategy to support and sustain seasonal industries and seasonal workers.

Seasonal industries are essential to Atlantic Canada's economy and are an important employer in the region. Provinces need to develop a comprehensive strategy that will assist employers to continue to operate in the area and to support them in the expansion and development of new products, cross sector integration, extension of seasons, and innovative opportunities to reposition and grow seasonal economies through program support and competitive business-friendly policies. Suggested areas to examine include the provision of tax breaks for new product/season extension to encourage longer term employment, training supports for employers and employees, and the opportunity to look at cross sector exchanges or collaboration of workforces and products to extend employment periods and retain employees. Sharing of successful strategies currently employed in each of the provinces should be shared and leveraged for maximum effectiveness.

The strategy needs to also focus on supports for long tenured employees attached to a business or sector to ensure that they remain available for employment in the region. Suggested areas to examine include targeted training programs during the off-seasons and working with the Federal Government to develop accommodations within the EI program for the allowance and recognition of returning seasonal workers

The continued commitment to examining labour force issues collectively through a Pan-Atlantic Labour Force Development Strategy.

To meet the changing needs of employers and the economy, a collaborative strategy for the enhancement of identified skills (current and anticipated) would assist the region in developing a sustainable skilled workforce. We support the workplan of the Atlantic Workforce Partnership as an opportunity to take a broader look at the region to strategically prepare for upcoming resource projects (mining, gas, ship building) and economic opportunities. A number of studies have been conducted (APEC, Conference Board, and Sector Councils) that provide estimates on upcoming labour needs that could be utilized for this work.

EI usage is high among those that have limited literacy and/or education. In addition, we have heard of growing opportunities amongst older workers who are staying in the workforce longer and youth - especially in aboriginal communities. We have noted the success of the collaborative work on Apprenticeship amongst the provinces and seek a similar type of focus on other employment training and support programs and services where it makes sense to leverage investment and improve outcomes. There is a reported disconnect between the people that are ready to work and the skills needed for future opportunities. With a broader approach linking upcoming opportunities, programs, and people throughout Atlantic Canada, there is an opportunity to reduce the EI dependency and mitigate some of the issues expressed through the consultation process. Provinces will need to continue to work on labour mobility issues to ensure ease of movement among the Atlantic Provinces.

A national employment/jobs strategy has been mentioned at the federal level. As this has not been developed to date, we believe that the Atlantic Region could take a leadership role in initiating work in this area as the Atlantic Premiers are currently perceived as national leaders through initiatives such as the Atlantic Workforce Partnership.

Continued work with economic and business development organizations to increase economic confidence in Atlantic Canada as a good place to do business.

As a consequence of the EI changes and the media coverage of the protests, etc. the reputation of Atlantic Canada as a business destination has been affected. There is an important role for the Atlantic Premiers to reposition the narrative for Atlantic Canada and its role to the

Canadian economy. Premiers need to be willing to address the labour market challenges that exist and that have been exacerbated by the federal policy changes. The business case for supporting seasonal economies and helping them innovate so they can better contribute to the overall economy will be crucial.

We heard of the disconnect between employees skills and availability and available work. A lack of qualified/skilled employees as portrayed in the media and a requirement for TFWs is detrimental to the business environment of the region.

Business confidence is affected when perceptions are strong and we heard from business owners that they are rethinking expanding or reinvesting in their rural businesses because of concerns regarding availability of a sustainable and skilled workforce. The high reliance of traditional resource based industries will require a focused approach to assist sectors expand and innovate to increase trade exports. Increased employment opportunities for all levels of skill are required to decrease the reliance on EI and a more coordinated effort on an Atlantic level around the labour market and the Atlantic Brand, regarding the assets of the labour market, will be an important part of this work.

Continued Commitment for Provinces to revisit and update programming to meet the current economic realities.

Provincial governments have created and delivered effective programs and services to assist residents in maintaining and obtaining employment. As changes in the economic climate manifest, and labour market shifts occur especially with the demographic outlook for the Atlantic Canada region, all programs and services should be reviewed and modified on a regular schedule to ensure that they are flexible enough to meet the needs of the regional labour market. As employment duration declines in some of the resource sectors, claimants may not have enough weeks of EI to be able to participate in programming and are not able to access training to increase skills or employability. The governments of Atlantic Canada need to adapt programs and policies that will insulate the region as best as possible from federal policy shifts and labour market dynamics as they happen. The Federal Government needs to work collaboratively with the Provinces to facilitate the timely approval/implementation of new and innovative programming where indicated and where Federal funding is utilized.

Work proactively with Employers and the Federal Government to develop a strategy which addresses the disconnect between skill set supply and demand in some regions or sectors.

We frequently heard from employers that they were not able to locally obtain the skilled workforce that they required. In contrast, we heard from claimants who could not obtain work in companies who were bringing in Temporary Foreign Workers (TFWs). The Federal Government has begun the review of the use of TFWs in Canada to determine how the program will work in the future. There is an opportunity to proactively work with employers and the Federal Government to identify employment needs, understand the value and need for TFWs in specific industries and locations, and to create targeted training opportunities within communities requiring workers or relying on TFWs.

The Panel acknowledges the valuable role that that the TFW program can play where human resources or a specific skill set is not readily available. We also heard from employers of the unavailability of local workers to fill staffing needs at specific timeframes due to concurrent labour demand requirements (e.g. defined fish processing seasons where all local processors are working at the same time).

APPENDICIES

Appendix A: List of Panel Presentations

The following table summarizes the presentations that Panel received during the course of the study.

Date	Contact Person	Affiliation	Intention of Meeting
July 2, 2013	<i>Gilles Duceppe</i> (Co-Chair) <i>Rita Dionne-Marsolais</i> (Co-Chair) <i>Michel Bédard</i> (Commission Expert) <i>Yvon Boudreau</i> (Commission Expert)	Quebec Employment Insurance Commission	Teleconference to discuss the methodology and focus for the two studies and to discuss opportunities to continue dialogue as studies are implemented.
July 22, 2013	<i>Tim Porter</i> Secretary to Council	Council of Atlantic Premiers	Overview of the project
	<i>Jeremy Neily</i> Economist	Nova Scotia Planning, Research & Accountability Division	Provide insight into the Deloitte research results
	<i>Kate Kloppenburg</i> Director, Business Expertise, PPS Atlantic / Directrice, Expertise opérationnelle, STP Atlantique	Service Canada	Overview of the EI program and the changes to the EI system
	<i>Vince Nash</i> Area Director, NB Citizen Services/Directeur de zone, Services au citoyens NB	Service Canada	Overview of the EI program and the changes to the EI system
	<i>Mary Lou Donnelly</i> Commissaire (Employés) Commissioner (Employees) Assurance-emploi / Employment Insurance	Human Resources and Skills Development Canada (HRSDC)	Overview of EI changes and a summary of the messages being heard from Employees through the EI Commission
August 20, 2013	<i>Gilles Duceppe</i> (Co-Chair) <i>Rita Dionne-Marsolais</i> (Co-Chair)	Quebec EI Commission	Met with Pierre-Marcel Desjardins (Co-Chair) and Cindy Lanteigne (Project Manager) to discuss the

Date	Contact Person	Affiliation	Intention of Meeting
	<i>Michel Bédard</i> (Commission Expert) <i>Yvon Boudreau</i> (Commission Expert)		progress of the two studies and to discuss methodology and results observed
August 29, 2013	<i>Judith Andrew</i> Commissaire (Employeurs) Commissioner (Employers) Assurance-emploi / Employment Insurance	HRSDC	Overview of EI changes and a summary of the messages being heard from Employers through the EI Commission
October 4, 2013	<i>Kate Kloppenburg</i> Director, Business Expertise, PPS Atlantic / Directrice, Expertise opérationnelle, STP Atlantique	Service Canada	Discussion of Fishing EI Benefits and the effects of the EI changes
	<i>Vince Nash</i> Area Director, NB Citizen Services/Directeur de zone, Services au citoyens NB	Service Canada	Discussion of Fishing EI Benefits and the effects of the EI changes
October 29, 2013	<i>Gilles Duceppe</i> (Co-Chair) <i>Rita Dionne-Marsolais</i> (Co-Chair) <i>Michel Bédard</i> (Commission Expert) <i>Yvon Boudreau</i> (Commission Expert)	Quebec EI Commission	Conference call with Pierre-Marcel Desjardins (Co-Chair) and Cindy Lanteigne (Project Manager) to discuss the progress of the two studies and to discuss results observed
November 27, 2013	<i>Gilles Duceppe</i> (Co-Chair) <i>Rita Dionne-Marsolais</i> (Co-Chair) <i>Michel Bédard</i> (Commission Expert) <i>Yvon Boudreau</i> (Commission Expert)	Quebec EI Commission	Conference call with Pierre-Marcel Desjardins (Co-Chair) and Cindy Lanteigne (Project Manager) to discuss the results of the Quebec study
April 4, 2014	<i>Elizabeth Mills</i> Executive Director Atlantic Workforce Partnership Nova Scotia	Atlantic Workforce Partnership	Overview of the Atlantic Workforce Partnership workplan

Appendix B: Report Highlights in brief prepared for the Council of Atlantic Premiers

Pan-Atlantic study of the impact of recent changes to Employment Insurance

Report highlights in brief prepared for the Council of Atlantic Premiers

Introduction

Deloitte was engaged by the Council of Atlantic Premiers (CAP) to compile and analyze data related to the Employment Insurance (EI) program in the four Atlantic Provinces with emphasis on the changes made to the program via 'Budget 2012'. In this document, we describe the industrial structure of Canada and Atlantic Canada and the history and usage of EI within that context. In addition, we describe the most recent changes to EI and provide our thoughts on how to assess their impacts and evaluate ongoing service delivery requirements.

Economies of Canada and the Atlantic Region

Canada has been recovering from the 2009 economic recession and has shown slight GDP growth since that time. Atlantic Canada has experienced a similar trend with a compound annual growth rate of 0.09% in GDP from 2007 to 2012.

Approximately 70% of Canada's GDP is represented by "service-producing" industries with the remaining 30% being represented by "goods-producing" industries. In the Maritime Provinces, service-producing industries are even more dominant, representing 75-80% of GDP. The situation is different in Newfoundland and Labrador (NL), where service-producing industries represent just over half of GDP. This is likely due to the significant proportion of GDP accounted for by the goods-producing "Mining, quarrying, and oil and gas extraction" industry in this province. It is important to note that there are several industries with a great degree of seasonality with a shorter duration of employment, reinforcing the importance of EI to the region.

Employment in Atlantic Provinces

Not surprisingly, given the dominance of service-producing industries in Atlantic Canada, approximately 80% of employed Atlantic Canadians were working in service-producing industries in 2012. With the exception of tourism, culture and heritage, industries that are most commonly thought of as seasonal in nature (e.g. construction, agriculture, forestry, fishing, etc.) are goods-producing industries.

Within the goods-producing industries, the "Manufacturing" industry represented the largest proportion of those employed in 2012. This sector accounted for 46.1% of goods-producing employment in Canada,

39.8% in New Brunswick, 38.0% in Nova Scotia, 28.7% in Prince Edward Island, and 22.6% in Newfoundland and Labrador. It has been noted that many processing elements of the fishing industry are considered to be “Manufacturing”. “Construction” represented the largest proportion of goods-producing employment in Newfoundland and Labrador in 2012 at 39.5% and in Prince Edward Island at 28.7% (a tie with the “Manufacturing” industry).

In the first four months of 2013 compared to the same period in 2012, there were more people employed in Newfoundland and Labrador, Nova Scotia, and Prince Edward Island. The number of people employed in New Brunswick decreased over this period.

Unemployment in Atlantic Provinces

Over the last five years, unemployment in Atlantic Canada has exceeded the national average. In 2012, the Canadian national unemployment rate was 7.3%; the average rate for the Atlantic Provinces was 10.8%. Newfoundland and Labrador, Prince Edward Island, and New Brunswick had the three highest unemployment rates in the country at 12.5%, 11.3%, and 10.2% respectively. Unemployment rates in all Western provinces were close to record lows recorded prior to the last recession. This dynamic may further encourage inter-provincial migration. When unemployment rates were examined by economic region, significant differences were seen between urban and rural areas. The 2012 unemployment rate for St. John’s was 7.1%, well in-line with the Canadian average, while the rest of the province stood at 17.5% unemployment. Similar patterns were seen in Nova Scotia (Halifax at 6.0% compared to 10.5% for Western Nova Scotia and 15.1% for Eastern Nova Scotia), New Brunswick (8.1% for Fredericton- Moncton-Saint John compared to Madawaska-Charlotte at 12.0% and Restigouche-Albert at 15.4%), and Prince Edward Island (9.0% urban and 14.5% rural).

Most seasonal industries are based in the rural areas of the Atlantic Provinces where unemployment rates are higher.

Provincial ratios of unemployment to job vacancies

Statistics Canada provides data to illustrate the unemployment to job vacancy ratio by province and industry over time. This information is helpful to understand the use of Employment Insurance in each of the Atlantic Provinces. If a province has a high unemployment rate and a low number of job vacancies (i.e. a high unemployment to job vacancies ratio), economic theory suggests that there will be proportionately higher EI use in this province when compared to others with a lower unemployment to vacancy ratio. Also, additional job search requirements will have less impact on unemployment rates and EI uptake in regions / industries with a high unemployment to vacancy ratio.

For the first four months of 2012 compared to 2013, it was noted that all four Atlantic Provinces had unemployment to job vacancies ratios that were significantly higher than the national average of 6.3 in 2013. Newfoundland and Labrador had the highest average ratio in the region, both in the first four months of 2012 (15.5) and the first four months of 2013 (21.7) showing a 6.2 increase in this period. Nova Scotia and Prince Edward Island were tied for the lowest average ratio in the region in the first four months of 2012 (9.9). Prince Edward Island also had the lowest average ratio in the region in the first three months of 2013 (11.1).

These ratios suggest that there should be a higher demand for EI in Atlantic Canada than elsewhere in Canada as the ratios for each of the Atlantic Provinces are higher than the Canadian average.

Summary of recent changes to EI

The concept of unemployment insurance was implemented in Canada in 1940 via the 1940 Unemployment Insurance Act. In the nearly 80 years that have passed since then, the system has undergone many changes. The changes with the most potential ongoing impact are as follows:

1. “Connecting Canadians with Available Jobs” initiative

- Effective as of January 6, 2013
- Claimants must pursue reasonable and ongoing job search; efforts must be documented
- Claimants can be disentitled should they decline or not apply for suitable positions
- Suitable positions include those within an hour commute of residence for 70% of previous salary
- Increased job search effort is expected to result in shorter duration of claim periods
- Connections between the EI system and Temporary Foreign Worker program will be strengthened

The Federal government estimates that these changes will yield program savings of approximately \$12.5 million in EI benefits in 2012-2013 and \$33 million in 2013-2014 and every year thereafter. The government has also indicated that enhanced compliance measures will result in an estimated 8,000 claimants having their benefits temporarily discontinued.

2. “Working While on Claim” program

- Effective from August 5, 2012 to August 1, 2015 for regular and fishing EI benefits
- Beneficiaries keep 50% of their earnings while on claim
- Intended to encourage claimants to accept work and maintain connections to the labour market
- EI recipients have the option of reverting to the previous rules for the duration of their claim
- 55.8% of individuals who established regular claims in 2010-2011 worked while on claim
- Effects of the changes to “Working While on Claim” may be magnified by other recent policy changes for those with weak labour force attachment

3. Social Security Tribunal (SST)

- SST will hear appeals for EI, CPP, OAS; effective April 1, 2013
- Replaces the former Board of Referees structure, which included approximately 1000 regional part-time board members and 32 umpires representing labour, employers and government
- SST staffed with approximately 74 full-time government employees, half of whom will hear appeals
- Time to appeal remains at 30 days

The Federal Government’s position is that the SST will be a more streamlined model. Employers and workers’ groups are concerned that this new structure will result in administrative delays and not support regional/local understanding.

4. “Extended Employment Insurance Benefits” pilot project

Through the “Extended Employment Insurance Benefits” pilot project, EI income was increased by extending the maximum number of benefit weeks to 45 for those who qualified from participating economic regions. There were 24 economic regions involved in the pilot including regions from all four Atlantic Provinces.

Among claims established in 2010-2011, a total of 96,510 claimants used the additional weeks provided by the “Extended EI Benefits” pilot project, representing 30.3% of all EI regular benefit claimants during this period.

Of all EI regular benefit claimants, those categorized as ‘occasional claimants’ and ‘frequent claimants’ were significantly more likely to benefit from the pilot project than were long-tenured workers. As the Atlantic Provinces have high EI usage rates and a high proportion of occasional and frequent EI claimants, the cessation of this program in 2012 will likely have a disproportionately negative effect on claimants in this region.

It was noted by a labour market expert, that the effects of the changes to these pilot programs may be cumulative for those with weak labour force attachment and fewer qualifying weeks in the program. For example, a claimant with weak labour force attachment could experience a shorter length of claim duration, a lower benefit rate, and higher claw back from any sporadic work as a result of these changes while needing additional support with job search activities. More data needs to be gathered before any definitive impacts, negative or otherwise, can be determined.

EI usage in Canada and Atlantic Canada

From 2003 to 2012, the average number of Canadians receiving EI benefits ranged from 730,000 to more than 1,000,000. When this was compared to the population aged 15-64 (the proxy for working age), the proportion of those on claim stayed fairly steady around 3.7%. This number rose to 4.5% in 2009 and remained above 4.0% in 2010 likely due to the market conditions during that time.

In 2012, the Atlantic Provinces accounted for 17.8% of the 798,357 annual average EI beneficiaries in Canada while the Atlantic Provinces combined accounted for only 6.7% of the working population, aged 15-64, in Canada. When each Atlantic Province is considered, New Brunswick, Newfoundland and Labrador, and Nova Scotia accounted for over 5% of beneficiaries (5.6%, 5.5%, and 5.2% respectively) while Prince Edward Island accounted for 1.5% of beneficiaries in Canada. When these average beneficiary rates are compared to population, it shows that the Atlantic Provinces have proportionally more EI beneficiaries than other areas of the country.

Information in the EI Monitoring and Assessment Report 2012 shows that:

- The number and proportion of frequent claimants in the Atlantic Region exceeds the national average of 22.6%
- The highest proportion of frequent claimants was noted in NL at 58.0% of claimants
- In each of NB, NL, and PEI, frequent claimants represent the most common claimant type in 2011-2012
- In NS, occasional claimants were the most common for this period representing 43.7% of claims

EI usage trends in Atlantic Canada

There were, on average, 217,533 active claimants in Atlantic Canada during the first four months of 2013. This is a decrease of approximately 16,000 claimants from the same period in 2012.

When comparing the first four months of 2013 to the same period in 2012, Nova Scotia saw the largest decrease in EI usage in the region, with an approximate 9% decrease in active claimants. The smallest relative decrease was seen in New Brunswick at approximately 5%. For this period, the largest proportion of Atlantic claimants were involved in the “Trades, transport and equipment operators, and related occupations” group, reflecting approximately 33% of active claimants.

In 2012, approximately 14.5% of the Atlantic working age population (aged 15-64) were active claimants. This is higher than the Canadian proportion of 5.6%.

The majority of EI beneficiaries in 2012 were in the 'regular benefits' category. In New Brunswick, Nova Scotia, and Prince Edward Island, the 'special benefits' category is the next largest proportion of beneficiaries. In Newfoundland and Labrador those in the 'fishing benefits' category outweigh the proportion of those in the remaining categories. Those claiming fishing benefits are higher for all Atlantic Provinces than for Canada overall. These proportions have remained fairly constant since 2008, reinforcing the significance of fishery to the Atlantic region.

It is interesting to note that the proportion of beneficiaries in the "special benefits" category is higher in Canada overall than in the Atlantic Provinces. Since the recent changes to EI policy apply to those receiving regular benefits and fishing benefits are impacted by changes to "Working While on Claim" and "Connecting Canadians with Available Jobs", these changes could have a proportionately higher impact in the Atlantic region than elsewhere.

Regular benefits data

The total number of regular benefit weeks, a provincial summation of all individual weeks on claim, has increased slightly for all four of the Atlantic Provinces in the period from April 2011 to April 2013. A similar, albeit smaller, increase was seen for Canada overall in this same period.

When only the first four months of 2012 and 2013 were considered, there was a decrease in the number of regular benefit weeks claimed in each of the four Atlantic Provinces. PEI saw the largest relative decrease, with approximately 13% fewer regular benefit weeks in the first four months of 2013 than for the same period in 2012.

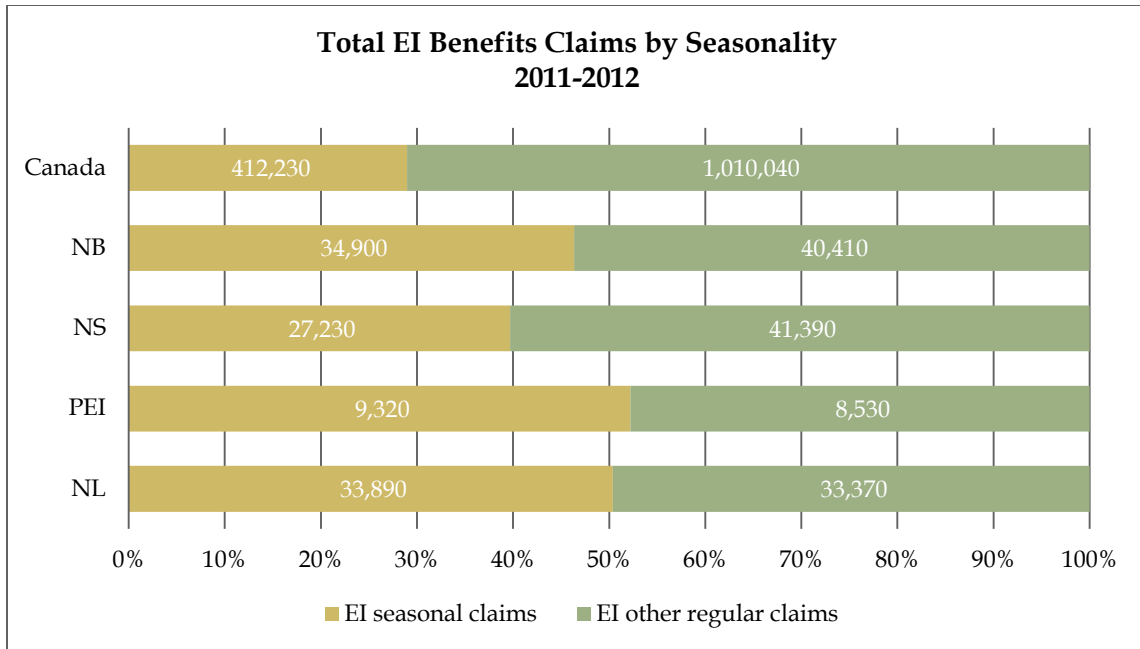
There was also a decrease in the number of regular benefit payments in each of the four Atlantic Provinces. The total decrease for all Atlantic Provinces combined was approximately \$85.5 million. During this period, PEI saw the largest change with an approximately 12% decrease in regular benefit payments in the first four months of 2013 than for the same period in 2012.

Seasonality of EI usage in Canada and Atlantic Canada

The number of seasonal workers in Canada has increased significantly over the past 10 years, rising by 25.9% to 456,500 in 2011-2012. The number of all EI seasonal claims increased by 7.7% in that same period.

The proportion of seasonal regular EI claims varies widely between provinces. The Atlantic Provinces have a much higher proportion of regular claims in the seasonal category than the rest of Canada. In Prince Edward Island in 2011-2012, 52.2% of all EI regular claims were considered seasonal in nature, compared to the Canadian average of 29.0% for the same period. The rate of seasonal claimants is also high in Quebec at 34.8%.

When all four Atlantic Provinces are combined, they represent 25.6% of all seasonal claims made in Canada in 2011-2012; 46.0% of claims in Atlantic Canada during this period were seasonal in nature.



Differences between seasonal and regular claimants include:

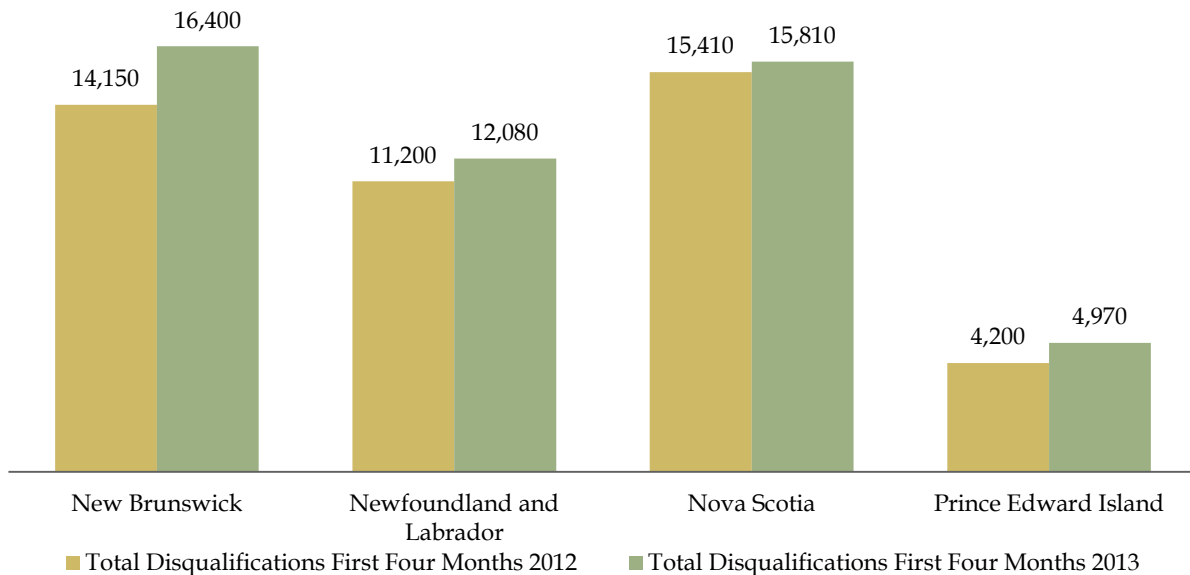
- Average duration of regular benefits for seasonal claimants is typically shorter than all regular claimants
- Seasonal claimants who established a claim in 2010-2011 received 19.9 weeks on average while regular claimants received 21.6 weeks
- Exhaustion rate (i.e. the rate of those who experience a period of zero-income weeks after exhausting their EI benefits and before starting their next job) has always been lower for seasonal claimants than for regular claimants as a whole
- 20.0% of seasonal claimants in 2010-2011 used all the weeks of regular benefits to which they were entitled while the exhaustion rate for all regular claimants was 29.4%

The lower use of entitlement, shorter benefit durations, and lower exhaustion rates for seasonal claimants are due to the nature of seasonal work. When seasonal claimants are laid off, most have a job lined up for the next season and will return to work at approximately the same time the following year. However, most regular claimants have to look for work once they are laid off. Therefore, non-seasonal regular claimants are more likely to rely on EI for longer periods and are more likely to exhaust their benefits than are their seasonal worker counterparts.

EI disqualification data

A claimant may be disqualified for not adhering to EI policies. In the periods of January-April 2012 and January-April 2013, PEI had the largest percent increase in disqualifications, with 18.3% more in 2013 than 2012. New Brunswick also experienced a large increase during this period, with 2250 more people disqualified in the first four months of 2013 than the same period in 2012. This increase, in whole numbers, is more than the increases experienced in the remaining three provinces combined.

Number of Disqualifications in First Four Months of 2012 and 2013
by Atlantic Canadian Province



Source: CANSIM 276-003

In the first four months of 2013, the most common reasons for disqualification were “other reasons” and “not capable or not available” at 42% and 33% of the total number of disqualifications from the Atlantic region respectively. In the April 2012 to April 2013 data, there were no reported disqualifications from the Atlantic Provinces that aligned with recent policy changes (i.e. “failure to search for work” or “refusal of suitable work”). The fact that there are so many disqualifications in the “other reasons” category suggests that there are data entry issues at play and disqualification reasons such as “failure to search for work” and “refusal of suitable work” may not be correctly captured in the data.

Impact of recent EI changes

When the changes to EI were announced in ‘Budget 2012’ there was concern from the Council of Atlantic Premiers about how these changes would impact the population in the Atlantic Provinces. As the changes are recent (implemented approximately six months ago) there is not sufficient data available to perform a fulsome analysis on the impact of these changes on claimants and/or businesses in the Atlantic Region. Seasonal industries exhibit the highest demand for EI in the fall and winter months, therefore only a small number of the expected seasonal claimants will have been impacted by the changes to date and would

not be reflected in usage patterns.

Given this reality, Deloitte pursued a qualitative approach to assessing impacts, soliciting input from Employment Services and Skills Development staff, Income Assistance staff, and Social Assistance staff on what they believe has been, or will be, the impact of the most recent changes. As of this point in time, there is not enough information to determine if any changes in client caseload may be directly correlated with recent EI policy changes. Anecdotally, these individuals have not seen an observable increase in caseload since January.

Potential impact on employers

In addition to potential impacts on claimants, the recent changes may have an impact on businesses in the region, particularly those that are involved in seasonal industries.

Retaining qualified workers in skilled seasonal positions is of particular concern as these types of positions require a great deal of safety training and industry certification, representing significant employer investment. With frequent employee turn-over, these training costs can become prohibitive. Therefore, it is important to employers in this industry to maintain access to these skilled workers.

In addition, some employers noted that the “Working While on Claim” pilot may increase staffing difficulties in seasonal industries as workers on claim will be less likely to work for shorter periods due to the 50% salary claw back.

To further understand the impact of these changes on employers, the Canadian Federation of Independent Business (CFIB) is planning to conduct a survey of Atlantic Canadian CFIB member businesses. Results of this survey are expected to be tallied in the fall of 2013.

Data required to assess the impacts of EI changes

Claimant-level, disaggregated data is critical to conducting a thorough assessment of the impact of changes to the EI program. When information is rolled up to the provincial level, claimant-level subtleties such as community of residence, repeat use patterns, and duration of each claim become lost. Quantitative, disaggregated data was requested from HRSDC however was not received at time of writing. This impacted the level of analysis that could be completed in this study. In order for the provinces to effectively plan for service delivery impact, it is critical that they have timely access to this data collected by Employment and Social Development, formerly HRSDC.

In order to accurately evaluate the impact of these changes, more than one year of post-change data would be required.

Having access to any HRSDC evaluations of pilot programs and/or policy changes would significantly inform an impact assessment. Should these evaluations be complete, they should be shared in order to allow a complete analysis of the impact of changes to the EI Program.

A comprehensive survey of Atlantic Canadians could also be a potentially rich source of data on impact.

Conclusion

Based on our analysis of the Atlantic Canadian economy and the historical use of EI in this region, we conclude that proportionately more Atlantic Canadians will be impacted by the recent changes to EI than in other parts of Canada. We say this because:

- The use of EI in Atlantic Canada is disproportionately high with a higher number of frequent and seasonal claimants; EI is an essential support to the Atlantic Canadian economy
- The Atlantic Canadian economy is more seasonal in nature than most other parts of Canada
- Rural regions in Atlantic Canada rely more heavily on seasonal industry and also show higher unemployment rates than urban centres

The cumulative effect of the multiple changes to EI in the past year may have a negative impact on Atlantic Canadians. Claimants in the region may experience shorter claim duration, a lower benefit rate, and higher claw back from sporadic work.

And, any program or policy changes that encourage seasonal skilled workers to find employment in other industries or regions puts Atlantic Canadian seasonal businesses at risk of losing the skilled workforce they require to operate.

These impacts on claimants and seasonal businesses could have more far-reaching negative implications for the Atlantic Canadian economy.

To understand the true nature of the implications of the EI changes for Atlantic Canada, and to draw evidence-based conclusions, sufficient time must pass for the changes to be reflected in data. Detailed, claimant-level data is required to detect patterns and discern insights. We recommend the conduct of detailed analysis based on 2014 and 2015 data which would be available in mid to late 2015.

Appendix C: Summary of In-Person Consultation Findings

New Brunswick

Province: New Brunswick

Location Sites: Tracadie, Miramichi, Shediac, Grand Falls

Connecting Canadians with Available Jobs Initiative

Impacts on Employees/Claimants

- Inequity of treatment by utilizing 3 classification types
- The three categories for EI claimants makes it confusing for seasonal workers
- Massive mobilization of people as they believe that the changes would have been implemented
- Believe that there is a strong possibility that the new EI regulations contributed to the decline in population in NB
- Citizens are raising concerns
- Realities of many rural regions have not been taken into account
- Unacceptable to force workers to travel away from their communities or to force families to live apart
- Transportation systems are lacking in rural NB. The low-income people have no means of transport and therefore have less access to employment outside their seasonal work. It is difficult to get a job at a time traveling without a means of transport
- Need to raise minimum wage as \$10 per hour is too low when you factor in travel costs
- Minimum wage is insufficient versus the number of hours available, the distance and the cost of housing. The salary should be at least \$ 12.50 / hour.
- Reduction of income over time if employees have to accept 70% of previous wages
- One of the most significant impacts felt by workers is having to accept a lower salary
- Few jobs available makes it difficult for providers to find options
- There is no justice in the employment insurance system, people of the Atlantic are dealing with less when there are no jobs available
- unacceptable working conditions in some areas, employers lack of respect for employees, some employees leave because they can no longer handle the situation
- Many northerners go to work in the south (e.g. plants), but this option is becoming increasingly difficult because employers southern now hiring foreign workers to do the same job
- We cannot guarantee a certain number of hours of work for Canadians, so that guarantees hours of work for foreign workers, how is this possible?

Connecting Canadians with Available Jobs Initiative

- The reform can be viewed as profiling against fish plant workers
- Seasonal workers are considering taking lower paying jobs because it is not seasonal. They no longer want to be season workers
- The focus should be on how to retain our employees
- The number of requests made to food banks increases with the level of unemployment in the region.

Impacts on Employers/Businesses/Industries

- Employers can't find skilled workers (e.g. Minacs)
- Significant impact to the cost for the employer because if they lose the employee they have to train someone new (revolving door)
- Employers say they are competing with the employment insurance because they cannot find employees. According to them, the reform will help because there is more seasonal workers who come home to apply them.
- The reform created a loss of experienced employees who choose to migrate to the west instead of continuing to practice their seasonal employment and unemployment use
- Employers (construction sector for example) lose their workers who go elsewhere and the lack of workers even prevented from bidding for certain contracts.
- Impact on fisheries with many fishermen who go to work in the West
- The agricultural sector employs many seasonal workers and producers cannot afford to train new employees each year so when employers are forced to seek workers elsewhere this has a direct impact on this industry. Producers may need to turn to foreign workers if they cannot keep their employees.
- Loss of consciousness of the seasonal reality
- This reform affects all seasonal industries such as tourism, fishing industry; construction, etc. (eg, school bus drivers, etc.).
- Training a seasonal employee: is there would be a way that the employee can remain with an employer as a seasonal worker and not be penalized by the reform? This would allow the employer to keep a seasonal employee who is trained and experienced in seasonal work
- Boat workers are difficult to recruit due to the reform
- Boat captains will not have the staff required to operate the boats when needed
- There are concerns about the salary of the captains being the same as the helpers (boat workers)
- Captains have to hire other captains from other seasons because they can't recruit / hire the regional staff
- For employers, the changes created an "on demand" for employment. Employers are constantly asked by many job seekers when they do not have jobs available which creates an overload of work and affects the conduct of business

Working While on Claim Project

Impacts on Employees/Claimants

- The fact that we now consider 50% of labour income rather than 40% of EI is disadvantageous for several services
- For claimants who are unemployed and working, there is a loss of potential income and fear that has the effect that some claimants are reluctant to work while receiving benefits
- claimants have access to a time when they could choose the old system of calculation, but if they did, they had to complete their returns manually so that slowed the process
- The number of hours allocated before cutting benefits should be increased

Best 14 Weeks Pilot Project

Impacts on Employees/Claimants

- Those that participated received an average of \$47 more than if the pilot was not in place.
- We should go back to 12 weeks or 420 insurable hours to determine eligibility for EI
- The EI rate of 13% was protected under these two pilot projects
- This rate is no longer protected with the cancelation of these initiatives
- Statistics demonstrated that women will be losing from the cancelation of these projects
- Statistics were provided to show that older workers and seasonal workers will be affected as well
- Two studies were done predominantly in Québec, these seasonal workers will be affected
- The method of calculation of EI benefits is weak. The committee should look at the impact of this calculation
- The government should look for new pilots to replace those that were abolished by the reform

Extended Employment Insurance Benefits Pilot Project

Impacts on Employees/Claimants

- Black hole is a reality for many NB seasonal workers
- 87,000 people participated previously in the pilot which indicates a need for it
- The end of the pilot project for an additional 5 weeks should hurt this year (black hole)
- Another example of a regulation that penalizes the poor
- The EI rate of 13% was protected under these two pilot projects
- This rate is no longer protected with the cancelation of these initiatives
- Statistics were demonstrated that women will be losing from the cancelation of these projects
- Statistics were provided to show that older workers and seasonal workers will be affected as well

Extended Employment Insurance Benefits Pilot Project

- Two studies were done predominantly in Québec, these seasonal workers will be affected
- The impacts of the black hole initiative with the loss of the 5 weeks will be captured soon

Social Security Tribunal

Impacts on Employees/Claimants

- Lack of independence and balance by appointing members who are connected politically
- People cannot appear in person - phone or teleconference only now
- Timeframe to address cases (26,000 cases and to provide within 30 days with decisions in 7 - 10 days from hearing)
- Only 16 % of applications received (1800 in total) were addressed since April and there was a 85% decrease in the number of applications
- The establishment of the Court of Social Security slows down the process of call requests and discourages the unemployed to use this avenue
- The review process is much more complicated and longer. Some people are waiting for a review since August
- With the old system, you could simply write a letter to initiate the appeal process so that the new system, go online, answer questions not always easy , etc. . while some people can hardly read and write or use internet
- People who review applications do not know the regional economic realities
- Feedback from employees and employers are no longer taken into consideration when it was previously
- People will not be in a position to present their case as they do not have the ability to do so. The tribunal will not be informed or familiar with the local situation, therefore decisions will be made that do not reflect local realities

Other Comments

- Limited public/provincial consultations by Feds regarding the changes
- Communications of the changes/issues was poorly handled
- Seasonal nature of employment is part of the NB economy. It is not the workers who are seasonal but the work.
- Seasonal workers are highly trained and professional individuals that employers want to see return to work
- Concern for the stigma placed on seasonal workers
- Women & youth are more strongly affected. Women are more likely to be employed in temporary jobs and have periods away from work, therefore it is hard to get enough hours to collect EI. Possible discrimination: pregnant women are afraid to disclose they are

Other Comments

- pregnant because they fear that the employer will give them a 'shortage of work' layoff
- No 'due diligence' before implementation
- No gender-based analysis was conducted by the Feds, therefore fear that women will be further penalized by the changes
- Youth have high unemployment rates which may lead to more outward migration
- NBers have been very vocal of the changes
- EI must remain an integral part of the social safety net.
- Decentralization of federal public service implemented to create jobs in the regions
- According to statements from employees of the unemployment offices , the impacts are lower than they should be because they were asked to go " take it easy " for the first year
- Impacts are less noticeable due to the limited information disclosed and the limited data available
- The lack of clarity and lack of information on changes promote an increase in crime, moonlighting and violence
- There is no good in the reform of employment insurance, it is unfair and should be put in the trash
- The program EI belongs to workers and employers so they should have a say in its management
- Federal and Provincial governments should focus on economic development
- Protests against the reform will continue and intensify
- The reform affects mainly seasonal workers who often have no other options that seasonal work
- The reform affects poor people , we must stop to remove the poor to give to the rich
- People get discouraged and go to work elsewhere (Western Canada) . Workers who have tasted the big salaries and working conditions in Western Canada back rarely work in NB thereafter
- We are (fish plant) increasingly hiring from the Elsipogtog First Nations community as well as immigrant workers (temporary foreign workers), which creates fear for local employees. Employers hiring immigrants for a full year must adhere to the date of the signed contract
- First Nations communities have great workers. Often they do not have enough hours or weeks for them to qualify for EI
- We need to hire immigrants. 85% of employees in one specific fish plant are foreign workers
- Recognize that we need foreign workers as we do not have enough local employees
- The various pilot projects should be set up permanently
- The changes caused a lot of stress due to a lack of information, misunderstanding face changes, varied interpretation, etc.
- The difficult economic context should be taken into consideration before implementing such a reform
- The Reformation had the following impacts:
 - The tough conditions of the EI program has some people who may be eligible do not even take the trouble to make an application
 - Some people will go directly to the Social Assistance rather than make a claim for

Other Comments

- Employment Insurance , which has a financial impact on the province
- For providers of Family Services, there is an increase in cases of violence, aggression and separation due to the fact that people are stressed, poor, that spouses who leave the region (work in Western Canada, etc. .)
- Creating a new poverty
- Some are other alternatives such as moonlighting and an increased tolerance of crime as people look for other financial opportunities outside of EI. These options have financial costs such as loss of revenue for governments, etc. that generate additional expenses
- The public perception is that the government is attacking unemployed rather than focusing on economic development strategies
- The waiting time for a claim EI is now 8 weeks rather than the usual 28 days
- Youth are no longer interested in working in fish plants because of the length of time it requires to gain EI benefits
- We have not seen the full effects of the reform
- Some employers scold employees who participated in the demonstrations against the reform or having expressed their views
- Employees are afraid to disclose further abuse by employers
- Claimants and Employers are under pressure from investigators to disclose information about other employees
- There is a loss of jobs in the region due to sales of plants and then destroy and reduce competition. Loss of control of our resources for the benefit of outside
- This is the 3rd wave of cuts and there have been numerous consequences
- Generally, fewer workers are entitled to have access to EI Benefits.
- The province of NB has the lowest income per week in Canada with the exception of Manitoba (only \$370/week)
- Consequently, the salary is also the lowest in the province of New Brunswick
- The number of positions is limited. It is not realistic to believe that there is a job for every EI claimant. In 2012 1 job for every 8 EI Claimants; in 2014 1 job for every 12 EI Claimants
- 8000 people will see their EI benefits being interrupted on account of changes
- Even more cuts are predicted for workers applying for EI benefits
- Prior to the reform, 90% of workers could have easy access to EI compared to 39% after the changes were implemented
- Services have become computer based and this is a problem for those with low literacy skills
- Additionally, many seasonal workers applying for EI benefits do not readily have access to computers
- There will be negative impacts to casual workers as it relates to 'job sharing'
- Fish plant workers are forced to repay benefits because of job sharing and in some cases quite substantially. For example, workers in Québec were informed that they would not qualify for EI benefits and they would need to reimburse the money they received in the last two years. There is a fear that these employees will no longer be eligible for EI benefits.
- Telephone surveys were conducted by Federal Government and lasted 35-45 minutes. Some of the survey questions were perceived as inappropriate: annual salary, credit / debt.

Other Comments

- Several employees were not comfortable answering these questions
- The quality of customer service has been significantly affected by the overall changes as it relates to the reform
 - The changes were implemented, however there was no consideration provided to ensuring sufficient regional resources to meet the demand of the reform. Employees in the unemployment offices cannot answer questions asked by providers
 - The call centre 1-800 # is extremely lengthy in regards to wait time for services and the responses are often inconsistent from one agent to another
 - Many people wait several hours to see someone only to be asked to call the 1-800 number
 - There is disappointment with the format and the timing in which the consultations were done
 - It is difficult to find information on the website as it relates to the reform
 - The federal government needs to understand that it is the industry that is seasonal and not the worker. Seasonal industry is a reality in our region and we need to take this into consideration
 - The length of time for a claimant to receive a first cheque and to be approved in the system is problematic
 - It is important to receive regional statistics. The provincial statistics that were shared concerning the federal changes are not necessarily representative of the realities of the region
 - Residents of NB want to work 12 months a year, but have difficulties finding available jobs
 - When it comes to training, EI recipients are often not eligible due to too many rules and regulations preventing them from being qualified
 - People are having difficulties understanding where to go and how to apply
 - Distinguish between a seasonal longtime employee working for the same employer and non-seasonal employees who change jobs frequently.

General Overview of Sessions

- Agreement with concerns on the potential impacts
- Seasonal nature of NB is different from the West and should be treated as such
- No consultations - led to poor communications and knowledge of the changes
- A history of the EI program was done. It is noted that the program in 1940 (EI Act) and the first reforms with significant impacts for service date from the 1970s.

Newfoundland and Labrador

Connecting Canadians with Available Jobs Initiative

Impacts on Employees/Claimants

The potential impact on seasonal industries in rural regions was also noted, adding that seasonal industries such as tourism relied on the EI program to maintain their workforces which is crucial to ensuring the sustainability of the sector.

Concerns regarding the classification of EI claimants according to their previous use of the program were noted as were the requirements for claimants to commute up to an hour in rural regions that are prone to inclement weather and oftentimes without cell phone coverage.

Regarding the enhanced job search requirements, we heard that this had resulted in individuals sending resumes and filling applications for jobs for which they were not qualified, and that this was not beneficial to employers. Conversely, more stringent requirement forcing individuals to accept work for which they were over-qualified was noted as resulting in significant skills mismatches, which could displace existing workers from their positions and not be beneficial to the labour market as a whole.

Concern was also expressed that enhanced job search requirements had resulted in increased numbers of calls to claimants, and that claimants were reluctant to utilize the EI Appeals process due to a lack of confidence in the new process.

We also heard that employees in certain sectors, such as educators, do not have year-round employment, and may be laid-off in the summer, at Christmas and during the annual spring break.

The classification of claimants according to their use of EI was deemed punitive and had the potential of creating skills shortages in many sectors and areas such as school boards municipalities, and further, could result in out-migration from Newfoundland and Labrador.

We heard that these changes effectively provide a de-skilling, suppress wages and affect peoples' skills when they are forced to take jobs beneath their skill set.

It was noted that previously, claimants had to look for similar employment, except after a reasonable interval. This has now all changed. The suitability rules were drafted previously to avoid using a pool of unemployed workers to suppress wages.

It was noted that the classification of claimants into categories made the system more complicated not less, which seemed to be one of the points or reasons for reform.

We heard a need to invest in labour-market search techniques and work to match people to the skills they have or find retraining. And that these changes were bad policy.

An example was of a skilled welder being laid-off and forced to take the first available job, and that this ratcheting down would affect the labour market at large.

Connecting Canadians with Available Jobs Initiative

Impacts on Employers/Businesses/Industries

Employer representatives noted that the recent changes to the EI system that took effect in January of 2013 have not yet had a lasting impact on connecting EI recipients with available jobs in the local economy. It was noted that after the changes were implemented, there was a significant increase in the number of job applications, but that the number of applications being received by employers eventually returned to pre-reform levels.

Representatives presented data suggesting recent EI changes had resulted in very few disqualifications from the program (of the 597,650 total disqualifications and disentanglement EI claims in 2013, only .06% or 380 were because of the “Connecting Canadians with Available Jobs” (CCAJ) changes), and that there had not been a massive increase in disentanglements to seasonal workers as a result of the changes

Representatives noted that these reforms are not, and should not be seen as, an attack on seasonal industries, as seasonal businesses operating in rural areas with little to no other employment will not be impacted by these reforms, and because individuals’ personal circumstances will be considered as part of the implementation of any changes.

It was noted that Research by the Mowat Centre indicates that the impact of these reforms will actually be felt predominantly in urban areas, where low unemployment and high job vacancy rates exist.

We heard that the extent to which new regulations have and will be enforced will be a crucial determinant of their outcomes, and that this responsibility rests with the federal government, as employers cannot act as regulators and investigators for the EI system.

Working While on Claim Project

Impacts on Employees/Claimants

It was noted that changes to the Working-While-On-Claim pilot project would serve as a disincentive to accepting sporadic work while in receipt of EI benefits, and that this would make it more difficult for employers to staff unfilled positions.

Impacts on Employers/Businesses/Industries

We heard support for changes to the Working-While-On-Claim pilot and suggestions that this change would result in increased costs to the EI system by \$74 million over a two-year period. Representatives noted that they were hopeful that the change combined with enhanced enforcement of the connecting Canadians with Available Jobs Initiative, although initially costly, would lessen the disincentive to work while on claim.

Best 14 Weeks Pilot Project

Impacts on Employees/Claimants

The recent elimination of the Best 14 Weeks pilot was noted to have resulted in weekly benefit decreases of as much as 40-50\$.

Impacts on Employers/Businesses/Industries

Support was also expressed for changes to the “Best 14 weeks” pilot project, in that the new system will now be available to all Canadians. It was also noted that this new system would not impact areas of the province outside of St. John’s, as benefits will continue to be calculated using the best 14 weeks due to the high unemployment rate.

Extended Employment Insurance Benefits Pilot Project

Impacts on Employees/Claimants

We heard that the end of the Extended Employment Insurance Benefits Pilot Project would also affect seasonal workers and employers in instances where the additional weeks served to bridge the gap in off-seasons.

Impacts on Employers/Businesses/Industries

We heard support for removing the “Extra 5 Weeks” of benefits, as this program was always intended to be a temporary measure in reaction to the recession – not a long-term change to the EI program, and because labour market conditions since the end of the economic downturn no longer warranted the need for the lengthened benefit period.

Social Security Tribunal

Impacts on Employees/Claimants

It was noted that the EI Appeals processes could become politicized as a result of recent changes, and that implementing significant EI program changes through regulations, rather than legislation, could result in reduced ability to scrutinize changes.

In 2010-11, there were 53,905 appeals, about half of which were resolved before a board hearing, usually due to departmental recognition of an error; 26,290 appeals were heard by Boards of Referees, and many claims that were initially denied are upheld, underlining the importance of the process of getting a fair hearing. The great majority of Board decisions were unanimous.

Regarding changes to the EI appeals process, concern was expressed that determinations would be much less informed by knowledge of local conditions and the changing realities of the job market than is now the case, and will instead be decided on narrow legal and technical

Social Security Tribunal

grounds. It was also added that many EI claims that were initially denied were later upheld on appeal, underlining the importance of fairness in the process.

An example was provided whereby an individual, after 20 years of appropriate and accepted EI claims, was rejected due to a claim that was deemed fraudulent. The individual was illiterate and previously had assistance from his wife in filling out EI claims. Due to a change in circumstances, he then had to request the assistance of others in preparing his claim and apparently, a mistake had been made. If that gentleman had not had an opportunity to come before a face-to-face tribunal, he wouldn't have been successful in rectifying his claim. Under recent changes, one now needs the ability to write, fax and email a detailed argument, and not everyone can do this.

Impacts on Employers/Businesses/Industries

Regarding changes to the EI Appeals process, support was expressed given it would be less expensive to operate and because more claims would be handled without having to go through the appeals process. We heard that every single claimant who is refused would now get a review of the negative decision by an EI official to determine whether the claim can be resolved without having to go through the appeals process. Representatives also felt that the adjudication of appeals should now happen in a more objective manner, as there is now greater consistency due to the centralization of the process.

Other Comments

We heard that while EI benefits are modest (on average \$370 per week) these modest benefits are not saved but rather spent in business throughout the province.

It was also noted that many of the jobs created since the end of the recent economic downturn were precarious in nature (part-time, seasonal, temporary), and that there was a need for an effective EI program given the high number of individuals now engaged in tenuous employment.

We heard that there are fewer individuals now qualifying for the EI program than was the case in the past. The federal government should be urged to reconsider and rescind the recent changes, and noted that Labour organizations should be consulted on any potential changes to the EI program to ensure its effectiveness.

It was also noted that many municipalities rely on seasonal workers to fill their peak staffing requirements and that seasonal workers' access to EI benefits is a long-standing feature of municipal labour force development. It was added that many of these employees are skilled workers with permanent jobs

EI program changes were described as an attack on seasonal workers and rural Canada, given its failures to understand the seasonal nature of many industries in Newfoundland and Labrador. It was noted that the Atlantic labour force has a higher proportion of seasonal workers than other provinces, given the large rural population and seasonal industries

Other Comments

including the fishery, tourism, forestry and agriculture, and that the relatively higher number of seasonal workers in Atlantic Canada was due to the higher proportion of seasonal industries in the region

We heard that recent changes to EI pilot projects would serve as a disincentive to seek and accept work during off-seasons and make it more difficult for seasonal employers to find and retain workers.

We also heard that despite the discussions of skills shortages in Canada, there has been no increased federal investment in EI-supported training.

It was noted that research commissioned by HRSDC showed that EI has no significant impact on labour mobility from high to low unemployment regions, and that Newfoundland and Labradorians are already among the most mobile with respect to seeking employment abroad, as supported by the high number of individuals who avail of employment in western Canada.

It was noted that it was difficult to fully determine impacts of recent changes, given that changes had not begun to affect many claimants.

The need to create an EI system that is responsive to the needs of Canadians and relevant to regional economies like Newfoundland and Labrador was stressed.

We heard that EI is a crucial support for our country's safety net and helps keep families out of poverty in the case of a job loss, and that it serves as an economic stabilizer.

It was noted that the changes were tempered by the fact that the federal government had significantly reduced capacity at Employment and Social Development Canada, and that if there were more people to implement these changes, they would be even more stringently applied and have more negative consequences.

There was mention of high-profile news stories, noting the challenges the changes were having on individuals in need.

It was noted that we should not underestimate the importance of communication by the federal government on this issue, and that more information on the interaction of Fishing and Regular incomes in the EI system. Representatives noted that the federal Minister had said publicly that things would be changed, but that this information had not been communicated to the federal staff who actually run the claims that a change was to be made.

Employers

The evidence-based approach to reviewing the impacts of recent EI changes was supported.

The representative noted that members of the Association of Seafood Producers had not raised significant concern with recent changes to the EI program, suggesting that changes would not likely have significant impact on the Association's membership.

The representative added that while EI changes were needed, such changes shouldn't serve as a disincentive to seeking and accepting employment.

Other Comments

It was noted that the EI program is of great concern to employers' organizations, and it was noted that employer's organizations have lobbied for increased due diligence and control within the EI system for years and is supportive of the federal government's EI reforms.

We heard that the labour force in this province is shrinking due to an aging population, outmigration and a declining birth rate, and that economic growth in the province is creating an unfilled demand for labour, and particularly skilled labour. It was noted that employers in this province report having to forego bidding on projects, seasonal businesses report having to shut down early and remain closed during shoulder seasons, and employers in this province are looking to foreign countries to fill vacancies.

Data from the Canadian Taxpayers Federation, using Stats Canada figures, was presented. It noted that, between 2008 and 2010, there were on average 89% of tax filers in rural areas of Newfoundland and Labrador collected EI at least once during the calendar year. Bay Roberts, a community less than a one hour commute to St. John's, had on average 80.2% of its working population collect EI at least once during those calendar years. It was stated that employers in this province are no longer just competing with other businesses for labour, they are in many cases competing with the EI system.

We also heard that, in 2009, a study of the employer experience with EI in this province was conducted and thirty-two percent of employers reported that EI eligibility rules make it more difficult to find employee. Sixty percent of employers surveyed reported having had an employee request a layoff in order to receive EI benefits, and 41% reported having had a person turn down an offer of employment to remain on EI. In a tight labour market, research shows these incidents happen more frequently, as the fear of being unable to find work after EI benefits are exhausted decreases. We also heard that, according to survey data, 42% of Newfoundlanders and Labradorians were supportive of EI reform.

We heard that many employers were concerned with workers who were unavailable for work due to eligibility for EI, and that EI recipients have been reported to reject offers of employment, postpone start dates, avoid/screen telephone calls, and request layoffs due to EI eligibility. Although solid evidence exists that EI recipients are failing to comply with the EI Act and Regulations, the EI program continues to have a lack of stringent investigation and control.

It was also noted that resistance to EI reform hurts our image as a competitive and vibrant place to live, work and do business, and that while the economy of Newfoundland and Labrador continues to grow, the unemployment rate is still the highest in the country.

We heard concerns with the increasing costs on employers to fund the EI program in its current form.

We heard, that EI is an important program, and many seasonal employers rely on it to maintain an attachment to their workplace, but also that the current EI system is not fully meeting the needs of employers, or the working population, of Newfoundland and Labrador in 2014.

We heard that the EI system as it is currently structured also exacerbates the geographical mismatch of labour demand in certain areas such as the Avalon Peninsula and Labrador, versus

Other Comments

dispersion of the unemployed across rural areas of the province, and that this inhibits the motivation to seek employment in other regions of the province currently experiencing labour shortages.

We heard the need to focus EI less on income supplement and more on active adjustment assistance, with reforms to the EI system that actively move Newfoundlanders and Labradorians from EI to year-round work in positions where their skills are needed.

Representatives urged Atlantic Premiers to take a long term view and support policies that promote the facilitation of individuals off EI and into full employment.

Representatives stated that, in the period from 2008-2010, nearly sixty percent of all tax filers in Newfoundland & Labrador (not including those who collected CPP) received EI benefits at least once a year.

Representatives concluded by encouraging Atlantic Premiers to support federal government reforms, and recommending further reforms that proactively address labour market challenges, by adjusting labour force skill sets and expectations to better coincide with the current economic reality.

Nova Scotia

Connecting Canadians with Available Jobs Initiative and New Definitions

Impacts on Employees/Claimants

1. **Perception that the travel expectations could have significant impact on quality of life for individuals and families, particularly in rural communities if implemented as written and without clarity of interpretation.**
 - No specific examples could be given of someone made to travel to take a lower wage, although this possible scenario was concerning to several participants (PEI example noted).
 - Several participants remarked that the new travel requirement if interpreted broadly will put rural economies at a major disadvantage. The additional cost for transportation and burden of having a reliable way to travel was noted as a concern for lower income people without adequate transportation, etc.
 - It was suggested that more written clarity on the one-hour commute rule is needed, as well as consistency in interpretation across Service Canada (SC) staff and better information sharing with career/resource people in communities.

2. **New job search requirements is adding additional burden on resource centers**
 - Several career resource reps noted that many clients' literacy level is so low they cannot

Connecting Canadians with Available Jobs Initiative and New Definitions

even use technology to search appropriately and rely only on job boards.

- Agencies reporting an increase in usage of the centers; more uptake on retraining programs to stay on EI, putting pressure on resources.
- Possible opportunity for provinces to realign services and programs to better support workforce needs.
- Comments made about approach by SC in dealing with claimants - an example was provided about a bus driver receiving intimidating correspondence. This was further supported by a representative of the agricultural sector who shared a copy of such a letter from the "Atlantic Prevention Centre" in a written submission.
- Several participants expressed concern about the need to maintain verification of job search activities for such a long time and questioned the ability of the federal government to oversee this. It was suggested the process was too onerous and costly to manage. It was noted that many are "pretending to look for work" to maintain claim and change is not having desired effect.
- It was noted that changes will further disadvantage groups unattached to the workplace already. Examples provided by a participant who highlighted the challenge of people getting hours as larger firms attempt to keep hours below a certain threshold. Another rep from a career/employment centre noted more aboriginals leaving reserve and facing serious challenges that are causing strain on social support systems.

3. New definitions and new requirements for 'reasonable job search' can be problematic for specific occupational groups. People are forced to take jobs they have no intention of staying at.

- Concern over definitions that penalize trades workers who move from one job to another due to nature of the work (not leaving work, work is done).
- One union rep noted that the definition for occasional user is problematic for trades people due to the nature of how they get work. If a tradesperson is laid off and takes another position, he or she will quit as soon as they are recalled to the old workplace and because they quit new employer, this affects their future ability to get EI claims.
- Employers noted people will take jobs just for required time to go back to old employer - costly for employers if they do not know up front.
- One rep from the a seasonal sector noted that employers do not want to lay people off, but continuous work is not a feature of the sector. If someone is making \$40,000/year under a collective agreement and has to accept a job at \$28,000/year, with no benefits and incur travel costs, they'll go elsewhere. Sector Councils identified doing their part to ensure wages reflect market rates.
- It is also difficult for individuals to leave a unionized environment and try to get back in.
- In some instances, people have identified they have taken positions they have no intention of staying at but are "forced to lie". For instance, a school bus worker who gets laid off for two months; does not tell a new employer they have a job to go back to in September, or he feels he will not get the job.

Connecting Canadians with Available Jobs Initiative and New Definitions

Impacts on Employers/Businesses/Industries

1. Seasonal businesses and industries appear to be more vulnerable to the downside of the changes. In particular, seasonal employers are concerned about the long-term sustainability of their workforce.

- It was noted that the Connecting Canadians with Jobs initiative will benefit some employers, but the main challenge is the seasonal nature of many of Nova Scotia's industries and the likelihood of continued out-migration.
- Out-migration came up repeatedly as an area of concern, as well as the large number of people doing rotating shifts out west. The feeling is that these new rules will further encourage this to continue, and little effort is being made to address the unemployment rates in some of these communities or opportunities to cross sector employ.
- It was noted social and economic impacts are not being considered in how out-migration affects families and society as a whole. The volunteer sector is impacted when you have people leaving communities and services are reduced that rely on these people (volunteer firefighters, etc.). The unintended consequences need to be considered.
- Employers from both tourism and agricultural group noted ongoing concerns regarding how access to a stable labour pool will affect future investment in rural businesses. It was noted there are many effects when business confidence is eroded and the perception is that these measures will further erode confidence. Both groups noted rethinking planned expansions due to challenges around the labour market. This was not all blamed on proposed changes but it was felt, regressive policies around the workforce are contributing to the challenges and affecting long term business confidence.
- Rural operators trying to extend their season noted the challenge to maintain a seasonal workforce and are concerned the changes will exacerbate this unless there are initiatives to encourage season extension and cross sector cooperation. One operator who employs 300 people in rural Nova Scotia noted the impact on service standards and training investment with instability of the workforce.
- One participant from the Agricultural sector indicated that they have an 8-10 month season and many of their employees have been with them for over 10 years. Forcing people to find employment in the off-season makes it challenging for recruitment when the farm starts up again if they leave the area. This will force farmers to continue to recruit foreign workers.
- It was suggested a new definition of full time work be considered for seasonal industries.
- It was noted there has been little consideration to demographic changes and impact on rural regions. It was noted that Atlantic Canada has a higher percentage of older population.
- It was recommended that the ROE include a new box for seasonal workers that have been attached to an employer for a number of years work a substantial length of time

Connecting Canadians with Available Jobs Initiative and New Definitions

during the year and who will be re-employed – this way they will be easily identified by SC staff.

2. The 'Reasonable job search' requirement is causing stress on some employers who receive numerous resumes and applications from individuals not intending to work. There were also some positive aspects noted by employers seeing more applicants for positions.

- Job centers and employment support agencies noted an increase in usage of services during 2013. More people are actively looking and taking advantage of provincial programs i.e. training, etc. It was also noted that the age demographic is changing - more "older" workers are using services.
- Two local chamber of commerce reps indicated local businesses are seeing more applicants for entry level postings than in the past and noted this was very good, although they are also aware that employees from seasonal industries are having a harder time transitioning to other work.
- Local Chamber rep also noted businesses would be less reliant on Temporary Foreign Workers (TFW) as a result of the fact that they have been able to fill positions in entry level areas.
- A participant from the construction sector remarked that 100 resumes were received for one position posted, and half were clearly not interested or qualified for the job.
- Many employers are concerned about the cost of hiring people who fully intend to leave to go back to old employer. (It is estimated by the Conference Board of Canada that the average cost of a bad hire or quick turnover is around 30% of the first year earnings of the employee. Affects profitability of business and changes will exacerbate this).
- One career/employment organization cited a dramatic increase in both the number of people coming in and the median age of clients.
- Another career resource rep noted increase in requests for training in 2013. This was noted with other sessions. She indicated many are just taking programs to stay on EI and are not really interested, as indicated by lack of interest once training is complete. She noted that she sees many abuses of the system and is not sure the latest EI changes are impacting the right people.

Working While on Claim Project

Impacts on Employees/Claimants

1. Increasing allowable earnings while on claim from 40% to 50% has had the unintended consequence of creating a disincentive to take on short-term work.

- One representative from the agricultural sector cited a calculation by a local farmer that a claimant would have to work 3 days a week to benefit from the new provision
- It was noted by another employer that the math makes no sense for a worker and she

Working While on Claim Project

provided some examples that show hourly wage decreases dramatically unless they can get over 25.5 hours a week in top up. (Example attached). Employer also noted that prior to 2013 she would share work with a number of employees for an occasional day here or there. Now she works with fewer people, so she can give these people over 25 hours. The result is less money distributed in the community and greater hardship on those unable to work. She noted she had employees travelling from Shelburne to Liverpool which was calculated to be just over \$5 an hour with the changes and too costly for them to work unless she can provide over 25 hours.

- Union rep noted same issue with *call ups* not willing to work for less than hourly rate and it is impacting ability to meet work demands.

Impacts on Employers/Businesses/Industries

1. Seasonal industries are finding it difficult to bring in workers for short-term work in the off-season.

- There was concern over the Top Up and impact it appears to be having on companies looking for short term labour. Examples were provided by a number of the employer reps across all the sectors. There are short term work needs and the new changes result in a disincentive.
- Fisheries example of unloading boats and having difficulty getting people in. It was noted that 2013 was harder for one particular company to get short term labour. Company employs 500 at peak. It appears that the focus of this change is creating apathy or perceived disincentive.
- Tourism employer used extra days as a way to keep key employees attached to the business when season over. He would hire for occasional work and now not worth it financially to come in to work unless he can provide at least 3 days and no work is available. This will affect retention of long time employees to seasonal businesses.
- Agricultural representatives also noted same challenges, as did trucking and construction sectors.
- General agreement in all the sessions that this area of change is significant and should be adjusted back – it was noted governments, as well, are losing out on tax revenue and not having the desired effect. All agreed there is a growing underground economy as a result of policy change. Also more reliance on other social programs to make up income.
- It was noted at all sessions that this policy shift is encouraging the underground economy and as this continues will have serious implications for government tax revenues.

Best 14 Weeks Pilot Project

- Very few comments - generally positive statements.
- The NS Federation of Agriculture noted that the Best 14 Weeks Pilot Project was a great

Best 14 Weeks Pilot Project

help for employers in the agricultural sector to maintain their workers over their whole harvesting season. For example in the apple industry the harvest can offer better or worse working conditions according to variety or time of year.

- The 14 week pilot ensured the workers that they would receive full benefits of EI if they stayed with the employer until he completely finished his harvest, both in the good picking times and the not so good.
- Changing to the “Variable Best Weeks” program means that farms located in specific areas can have a much harder time maintaining their labour force. Most workers in Nova Scotia now have to count their 18 best weeks into their benefits calculation. This means that EI benefits will be lower even if the current seasons best 14 weeks are identical to prior years due to the inclusion of the 4 additional weeks with lower earnings.

Extended Employment Insurance Benefits Pilot Project

No specific comments on this change.

Social Security Tribunal

Impacts on Employees/Claimants

- 1. Lots of concern noted over changes to Appeals Tribunal, although no specific examples could be shared as to actual impact of service standards. The move away from local focus has created anxiety, until data exists either way regarding how the new process is working, it will remain concerning for many.**
 - Many remarked that the previous Board of Referees structure ensured regional representation. Several participants noted the importance of the board being able to understand the industry and culture of the area they are dealing with.
 - One participant perceived it to be a “dumping ground for political appointees”.
- 2. Specific concerns perceived include:**
 - It was noted that the new requirement to submit only written appeals could impact the ability of people with low literacy levels to have their cases justly heard.
 - There were some participants who had been members of the tribunal in the past who stressed the importance of face to face contact.
 - Poor service standards at Service Canada were noted on a number of occasions. There were a number of examples of how difficult it is to speak to someone; get information needed and it was noted that it seemed worse in 2013. There is a perception that changes have directly eroded service standards at Service Canada.
 - Under old system, a worker had a right to sit in front of an appeals panel. Now it is up to one of 39 government employees who will hear appeals and who will make the

Social Security Tribunal

determination. The individual no longer has the right to be heard. Sometimes you have to talk about why your case fits within the regulations. In rural areas, there are many issues and barriers that are difficult (and sometimes embarrassing) to put in writing, but important context for assessing an appeal.

- There were questions about whether the backlog had been cleared up, and concerns about an overly bureaucratic process leading to confusion and delays for claimants.

Impacts on Employers/Businesses/Industries

- One general comment by employer rep - perception is that very few people get claims denied.

Other Comments

1. Several participants remarked about the lack of consultation by the Government of Canada before changes took place - it was noted that employees and employers could have come up with suggestions for improvements if they were asked.

- General belief that most people want to work and feel productive and system changes are focused on minority. It is the way the changes have been imposed that has created the most angst. Claimants are concerned and confused on what it might mean and employers are worried about the long term impact on access to a sustainable workforce.

2. Several participants remarked about apparent capacity issues at Service Canada, and that it is not clear how the administration and governance of the recent EI changes is being handled.

- While there was 'panic' when the changes were first announced, participants remarked that they haven't really seen the enforcement of the changes yet.
- Several participants noted that the recent cutbacks at Service Canada and devolution of job search activities to provinces make them skeptical that the federal government will have the resources to track the new requirement for 'reasonable job search'.
- There were a number of comments regarding delays in claim processing during 2013. There did not seem to be an answer for why except participants attributed it to the changes and staffing issues.
- The importance of Service Canada clearly communicating the changes to clients was highlighted. It was noted that career resource agencies are not well equipped with information on how to support clients and they themselves have difficulty getting information on changes out of Service Canada. The issue of service standards seems to be ongoing theme with noted impact during 2013. Suggested that roles at provincial agencies be looked at to better service clients.

Other Comments

- Some of the impacts of delayed processing cited included the anxiety created by waiting for an income stream, and increased pressure on provincial income assistance programs while people wait for their EI claims to be processed.
- 3. Transition from work to training or re-training is difficult for those who need to forgo their income source to upgrade their skills (i.e. cannot claim EI while on training).**
- One participant cited an example of an apprentice who was required to go out-of-province to complete their hours of training. This person was not permitted to claim previous hours worked toward an EI claim.
 - It was also noted that some industries are very competitive and require employees to be highly qualified. Unions often step in to provide training for skills upgrading, but these trainees cannot go on EI while they're on course. It was suggested that government should be more flexible in these circumstances.
 - In response, there was some discussion about the need for employers to sponsor this training, but challenges were noted for industries like construction where employees are often contracted for short-term work.
- 4. There is concern about the 'one size fits all approach' for Employment Insurance, which cannot work in a country as diverse as Canada. It is perceived that the most recent changes will exacerbate what has already been happening in rural communities.**
- Several participants described concern over focus on centralization and impact on rural regions - the broader conversation about our economy is important. One participant said that the federal government has to stop treating Atlantic Canada as if it's the labour reservoir for the rest of the country.
 - One participant noted that it is important for the federal government to understand that the family dynamic is changing in Nova Scotia. Seasonal workers provide an extreme amount of care to an aging population. Demographic shifts will exacerbate impacts and the social and cultural benefit of having system that supports people staying in communities needs to be understood.
 - One participant from the non-profit sector highlighted the role the volunteer sector plays in rural economies and the impact the changes and lack of dialogue on the broader issues is exacerbating.
 - One participant noted that training is a provincial responsibility while EI is a federal responsibility - this seems to be a disconnection. Need to align EI system so it better supports apprenticeship and provincial training agenda.
 - One participant representing registered trades noted a concern with an increase in the use of the Temporary Foreign Worker program. Construction industry used to work all throughout the year, but when foreign workers come in, the season is cut short. This dynamic makes it difficult for trade's people to get their hours to access the EI system. On the contrary side an agricultural representative noted he hates to use TFW program but is forced to because he cannot get workers even though high unemployment in region.

Other Comments

- One participant from a resource centre cited the continuing exodus of young Aboriginal Canadians from their communities. People are transitioning from on reserve to off reserve to find employment. Increase of social impacts is likely to grow. Aboriginal people do not want to leave their communities. Landlords don't wait for EI benefits to come in. Resources to address these issues continue to be stretched. Community members depend on each other. With people leaving, there is a huge gap on reserve.
- The Nova Scotia Federation of Agriculture clearly stated that it cannot support the implementation of the entire roster of changes proposed for the Employment Insurance program in this region. The Atlantic region is an area of the country where seasonal labour abounds and there is little option to change this in the near future. From an employer's perspective this well-trained labour force is necessary to service the harvest in viable resource industries in the region. If the changes to the Employment Insurance program force workers to move to other jurisdictions to find full time work, there is concern about availability of labour for next years' harvests in both the agricultural and fisheries fields.

5. Consistent theme around the need for a more compassionate conversation around the realities of the current labour market and impact of changes on individuals.

- There is a sense of urgency that broader social issues are intertwined to EI policy.
- Nova Scotia's workforce has high number of people who are not computer literate. Some people can't complete applications online. This can be a very stressful situation for these individuals in an increasingly automated world.
- It was also noted that EI investigators can sometimes be unnecessarily intrusive and intimidating.
- It was raised that clarity and more communication on changes and what they mean would help. Even provincial agencies were unclear regarding travel requirements and any updates that the federal government has made.
- Several participants stressed the need for the panel to hear from the people actually affected.

6. Role of Atlantic Premiers and Provincial Governments in mitigating the impacts of policy changes and fostering a sustainable labour market dynamic in Atlantic Canada

- It was noted that the Atlantic Premiers have a role to reinforce that a healthy Atlantic Canada is an important part of the federation and there needs to be a better understanding of the regional economy.
- The need to build the business case of seasonal industries in the economy was noted and of developing a greater understanding of social and cultural impacts that are influenced particularly in rural regions by federal policies like EI.
- Atlantic Provinces have a role to play to implement policies that will insulate the region against these federal changes. Focus on addressing under-employed and more cross sector capacity.
- Provincial programs could be realigned to mitigate impacts and regional governments

Other Comments

address rural – urban divide. What provincial policies could be put in place to encourage new investment to assist rural business to extend operating seasons? Possible employee databank accessible to employers.

- Provincial governments have significant challenges and opportunities in maintaining business confidence. One resort owner, with 300 employees across 4 separate businesses, noted that they tried to extend season to entice workers to return. He noted that the provincial role could be to help businesses stay open longer through policy incentives that do not penalize extension of business. He also noted with turnover exceeding 60 percent it is very hard to improve quality and grow the business. Talent retention for key positions is a major challenge. Cost to business is significant with unstable workforce especially in shoulder and offseason.
- Another representative from a Chamber of Commerce suggested that governments could help companies match people with skills and match companies with other companies. One employee at the Chamber is currently shared with a dentist office in the community and the arrangement works very well. It was also suggested that governments can do more to help match employers with those looking for work on other social programs.
- It was noted with current efforts around Apprenticeship on an Atlantic level, there is an opportunity for provinces to ensure EI is aligned that will encourage training and completion rates. Current system is a disincentive for the worker to complete training.

7. Several related training and workforce issues were raised throughout the discussions.

- Union rep indicated that some trades people are not getting copies of their Record of Employment and often do not know what employer has put on for reason leaving and often this ends up delaying claim if reason cited for leaving is in dispute. (Information was provided on obligation of employers to provide a copy within timeframe).
- Union rep noted concern about apprentices not being able to get their hours worked in Alberta recognized in Nova Scotia.
- Positive comment that, “Nova Scotia government gets it” when it comes to training. Employers seem very receptive. Encouraging employees to get more training while on the job. Nova Scotia is an example for other provinces to follow.
- Union rep noted concern about delays associated with the environmental assessment process in the LNG Goldboro project. Thousands of workers are waiting for the project to come on stream.
- Impact of changes on Temporary Foreign Workers (TFW) noted and it was suggested that TFW program is contributing to some of the challenges being faced by seasonal sectors. Employers forced to use foreign workers because of the disconnection between people and work in Atlantic Canada. From a labour perspective, there is concern that bringing in foreign workers drives down wages.
- One participant noted concern about the proposed Canada Job Grant and the impacts on vulnerable people.

Other Comments

8. Several participants made a number of specific recommendations for both mitigating the negative impacts of the EI changes and improving the system overall.

- Employers could look into creative arrangements for job sharing that enables workers to work in the off-season, and maintains the workforce for seasonal employers.
- Seasonal workers should have a special provision within EI program so that they can do occasional work in the off-season without penalty (working while on Claim).
- Records of Employment should have another box that will allow an employer to indicate if the employee is a re-occurring employee (i.e. works 40 weeks a year consistently.) This would enable Service Canada staff to handle seasonal worker perhaps in a way that mitigates damage and keeps them attached to the workplace. This would also quickly identify these workers from others who abuse the system by just working the minimum.
- Role of career centers could be broadened to support people in handling their appeals. It was noted that they are currently not allowed to assist with appeals.
- Information on the new Tribunal is required to ensure that it is a credible process.
- Follow-up sessions may be needed as the full impacts become clearer.
- Participant suggested that federal government and Premiers should also talk about the people who pay into the system and don't use it. Concern with the lack of discussion on the EI rates. "If you earn over \$47,000...rates have gone up. We talk only in terms of entitlements, not in terms of the rates. It was suggested that the EI process should be simplified and there should be a full analysis of whether the EI program works for anyone - people who pay in, what people get out".
- An Atlantic worker program could allow workers to seamlessly move where the work is in Atlantic Canada (i.e. TFW program using Atlantic Canadians).
- Consideration could be given to seasonal employers receiving a "status" as seasonal industry and policies adapted to support both at the federal and provincial level.
- One participant noted a heightened awareness/social conscience among younger generation that says this isn't a free ride. A lot of people getting less tolerant of outright abuse.
- Replace EI system with personal savings accounts. Submission being made by January 31st by Taxpayers Federation (this recommendation was strongly opposed by union participants).

Prince Edward Island

Connecting Canadians with Available Jobs Initiative

- Islanders don't feel the jobs are there.
- Too many Islanders fighting for each job available.
- Small business owners are losing valuable staff as a result.
- Employees are being forced to take year-round jobs that end up paying the equivalent of their seasonal jobs.
- Workers being forced to travel farther from home.
- People are having difficulties providing 'proof' they are looking for a job, not able to do paperwork, not receiving it from the employer, etc.
- Term workers are facing difficulties as a result. Places who hire throughout the year based on demand in season, ex: Tax Centre.

Working While on Claim Project

- Changes have made it more difficult for people to obtain job training.
- Employers are having difficulty getting people to work one day a week – it is not worth it for the employee. Therefore it is discouraging people from working.
- Having a negative impact on substitute employees (teachers, bus drivers, etc.)
- Results in people making half of their day's earning.
- Ability/process to opt into the old program is confusing and difficult for users.

Best 14 Weeks Pilot Project

- Fluctuating divisor makes it difficult for people to determine their status in regards to how many hours they have earned and if it is enough.
- People don't understand why pilots ended with no analysis done of whether they were working or not.
- Islanders feel Ottawa wrongly believes Islanders just try to get their 14 weeks and then be laid off.
- P.E.I. benefitted from the pilot programs.
- Islanders are now worse off as a result of the current divisor.

Extended Employment Insurance Benefits Pilot Project

- Less money in Island communities as a result of the changes.
- Main cause of financial loss is the five fewer weeks of claim and losing half of wages while working on claim.
- No financial coverage to bridge the gap until their seasonal job starts up again.
- People are suffering for a month with no income.
- This spring will show the true impacts, slightly early to still see full extent of impacts.

Social Security Tribunal

- Frustration over lack of appeal board.
- Appeal process is vague.
- Frustration over 1-800 # and no in-person assistance available.
- Appeal process was taken out of the hand of locals that were knowledgeable and had a high level of understanding.

Other Comments

- Changes made without consultation.
- Lack of communication about changes.
- People are afraid to apply for employment insurance.
- People are afraid to speak out against changes.
- Belief that federal government doesn't value Prince Edward Island's seasonal economy.
- Islanders want Atlantic Canadian Premiers to send a clear message to Ottawa that they want the changes reversed.
- Being labeled a frequent user has caused people to feel wrongly targeted.
- Seasonal workers feel they are being seen as unskilled.
- Use at local food bank has increased.
- All provinces are being negatively impacted.
- Changes are designed to force people to relocate to a western province.
- Not enough jobs available.
- Changes will increase number of jobs being done under the table for cash.
- Claims are being delayed, too long of a processing time.

General Overview of Sessions

- Islanders want federal government to reverse changes and recognize the value of our seasonal economy.

Provincial Analysis of Input for the Panel

P.E.I. is a unique province with a seasonal economy. People are affected much more here than they seem to be in other provinces, such as Alberta. Most responses are pushing for change back to the old EI system.

Appendix D: Telephone Survey Results and Questionnaire

Summary Results from EI Claimants Feedback 2014

Survey Section	Results
Part A: Employment and Claim History	<ul style="list-style-type: none">• Approximately 90% were regular beneficiaries.• 65% were repeat EI users indicating they had 5 claims in the past 5 years (excluding current claim).• Three-quarters were seasonal workers
Part B: Activities While on Claim	<ul style="list-style-type: none">• 65% reported having earnings from work during their current/most recent claim.• 75% indicated they had returned (or will return) to their usual place of employment.• 80% indicated they had not accepted a job outside of their usual place of employment.• 95% indicated they were never contacted by Service Canada during their current/most recent claim.• About 60% are not using the enhanced job alert system from the job bank to receive daily notifications of employment opportunities.
Part C: Impacts of Recent EI changes	<ul style="list-style-type: none">• 90% admitted they feel the recent EI changes have impacted (or will impact) them negatively.• Potential negative impacts include:<ul style="list-style-type: none">◦ An increased stress to meet new job search requirements (75%)

	<ul style="list-style-type: none"> o May have to work more or less hours (75%) o Having their claim terminated early (70%) o May have to take a lower paying job (65%) o May have to commute farther for work (60%)
<p><i>Source: Employment Insurance Feedback 2014, compiled by the Newfoundland and Labrador Statistics Agency based on information provided by 20 volunteer EI Claimants.</i></p>	

SURVEY OF EMPLOYMENT INSURANCE CLAIMANTS 2013

PURPOSE

The federal government introduced several changes to the Employment Insurance system as announced in budget 2012. Included in those changes were (provide url links to program descriptions). As a result, a survey is being conducted by the Council of Atlantic Premiers to determine the effects of these changes on EI recipients who have collected benefits in 2012 or 2013.

Please only complete this survey if you collected EI benefits in 2012 or 2013.

CONFIDENTIALITY

The survey will only take 15 minutes to complete, and your answers will be kept strictly confidential as required by the *Statistics Agency Act*. No identifying information will be presented. Although participation is voluntary, your co-operation is important to ensure that the information collected is as accurate and as comprehensive as possible. If you have any questions concerning privacy, confidentiality, the survey’s purpose or its content, you can contact the Newfoundland and Labrador Statistics Agency at 729-1604 in the greater St. John’s area or call toll-free at 1-888-461-5244.

SECTION A – EMPLOYMENT AND CLAIM HISTORY

AR1. The first series of questions deal with your employment insurance and claim history.

<p>A1. Which of the following <i>best</i> describes your current EI status? (Select one response only.)</p>	<p><input type="radio"/> 1 Current EI claimant (specify anticipated claim expiry date): _____</p> <p><input type="radio"/> 2 Had an EI claim expire after January 6, 2013 (specify claim expiry date): _____</p> <p><input type="radio"/> 3 Had an EI claim expire between January 1, 2012 and January 6, 2013 (specify claim expiry date): _____</p> <p><input type="radio"/> 8 Don't know</p> <p><input type="radio"/> 9 Refused</p>
<p>A2. What type of benefits did you receive during your most recent claim? (Select one response only.)</p>	<p><input type="radio"/> 1 Regular benefits</p> <p><input type="radio"/> 2 Fishing benefits</p> <p><input type="radio"/> 7 Other (specify): _____</p> <p><input type="radio"/> 8 Don't know</p> <p><input type="radio"/> 9 Refused</p>
<p>A3. Excluding your current claim, how many weeks of EI benefits have you collected in the past 5 years? (Select one response only.)</p>	<p><input type="radio"/> 1 Less than 35 weeks</p> <p><input type="radio"/> 2 35-59 weeks</p> <p><input type="radio"/> 3 60 weeks or more</p> <p><input type="radio"/> 8 Don't know</p> <p><input type="radio"/> 9 Refused</p>

<p>A4. Excluding your current claim, how many times in the last 5 years have you claimed EI?</p>	<p><input type="radio"/> Number of times EI was claimed in the last 5 years: _____</p> <p><input type="radio"/> Don't know</p> <p><input type="radio"/> Refused</p>
<p>A5. Have you worked and paid EI premiums in 7 of the last 10 years?</p>	<p><input type="radio"/> Yes</p> <p><input type="radio"/> No</p> <p><input type="radio"/> Don't know</p> <p><input type="radio"/> Refused</p>
<p>A6. How many weeks did you work during the qualifying period (the 52 weeks prior to filing your claim) for your current/most recent EI claim?</p>	<p><input type="radio"/> Number of weeks worked during the qualifying period: _____</p> <p><input type="radio"/> Don't know</p> <p><input type="radio"/> Refused</p>
<p>A7. What was your approximate average gross weekly earnings for the weeks worked during the qualifying period?</p>	<p><input type="radio"/> Approximate average gross weekly earnings: \$ _____</p> <p><input type="radio"/> Don't know</p> <p><input type="radio"/> Refused</p>
<p>A8. During this time, did your weekly earnings remain the same each week or did they fluctuate?</p>	<p><input type="radio"/> Remained the same each week</p> <p><input type="radio"/> Fluctuated</p> <p><input type="radio"/> Don't know</p> <p><input type="radio"/> Refused</p>

BR1. Next, we would like to ask you about your activities while on claim.

<p>B1. Did you report any earnings from work while on your current/most recent claim?</p>	<p><input type="radio"/> 1 Yes</p> <p><input type="radio"/> 2 No → Go to B3</p> <p><input type="radio"/> 8 Don't know → Go to B3</p> <p><input type="radio"/> 9 Refused → Go to B3</p>
<p>B3. Are you a seasonal worker?</p>	<p><input type="radio"/> 1 Yes</p> <p><input type="radio"/> 2 No → Go to B6</p> <p><input type="radio"/> 8 Don't know → Go to B6</p> <p><input type="radio"/> 9 Refused → Go to B6</p>
<p>B4. Did your EI benefits expire before you returned to your seasonal position?</p>	<p><input type="radio"/> 1 Yes</p> <p><input type="radio"/> 2 No → Go to B6</p> <p><input type="radio"/> 8 Don't know → Go to B6</p> <p><input type="radio"/> 9 Refused → Go to B6</p>

<p>B5. How many weeks did you go without EI benefits before you returned to your seasonal position?</p>	<p><input type="radio"/> 1 Number of weeks without benefits: _____</p> <p><input type="radio"/> 8 Don't know</p> <p><input type="radio"/> 9 Refused</p>
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<p>B6. Did you/will you return to your usual place of employment at the end of your claim?</p>	<p><input type="radio"/> ¹ Yes</p> <p><input type="radio"/> ² No</p> <p><input type="radio"/> ⁸ Don't know</p> <p><input type="radio"/> ⁹ Refused</p>
<p>B7. Since January 6, 2013 have you accepted a job outside your usual place of employment?</p>	<p><input type="radio"/> ¹ Yes</p> <p><input type="radio"/> ² No → Go to B13</p> <p><input type="radio"/> ⁸ Don't know → Go to B13</p> <p><input type="radio"/> ⁹ Refused → Go to B13</p>
<p>B8. Was your decision to accept a job outside your usual place of employment related or unrelated to the new EI job search requirements?</p>	<p><input type="radio"/> ¹ <i>Related to the new EI job search requirements</i></p> <p><input type="radio"/> ² <i>Unrelated to the new EI job search requirements</i></p> <p><input type="radio"/> ⁸ Don't know</p> <p><input type="radio"/> ⁹ Refused</p>
<p>B9. Compared to your last place of employment, was the rate of pay higher, lower or the same?</p>	<p><input type="radio"/> ¹ Higher</p> <p><input type="radio"/> ² Lower</p> <p><input type="radio"/> ³ The same</p> <p><input type="radio"/> ⁸ Don't know</p> <p><input type="radio"/> ⁹ Refused</p>
<p>B10. Compared to your last place of employment, did you work more, less or the same amount of hours per week?</p>	<p><input type="radio"/> ¹ Worked more hours per week</p>

	<p><input type="radio"/> ² Worked less hours per week</p> <p><input type="radio"/> ³ Worked the same number of hours per week</p> <p><input type="radio"/> ⁸ Don't know</p> <p><input type="radio"/> ⁹ Refused</p>
<p>B11. Compared to your last place of employment, is the distance you have to travel from your home to work longer, shorter or the same?</p>	<p><input type="radio"/> ¹ Longer (specify number of extra km's you have to travel per day): _____</p> <p><input type="radio"/> ² Shorter</p> <p><input type="radio"/> ³ The same</p> <p><input type="radio"/> ⁸ Don't know</p> <p><input type="radio"/> ⁹ Refused</p>
<p>B12. Which of the following have you experienced due to the recent EI changes? (Select one response only.)</p>	<p><input type="radio"/> ¹ I now have to <i>commute outside my home community</i> to work but I still live within my home province</p> <p><input type="radio"/> ² I had to <i>permanently move outside my home community</i> to work but I still live within my home province</p> <p><input type="radio"/> ³ I now have to <i>commute outside my home province</i> to work</p> <p><input type="radio"/> ⁴ I had to <i>permanently move outside my home province</i> to work</p> <p><input type="radio"/> ⁵ I haven't experienced any of the above changes</p> <p><input type="radio"/> ⁸ Don't know</p>

	<input type="radio"/> 9 Refused
<p>B13. After you started receiving EI benefits for your most recent claim, were you contacted by Service Canada in regards to your job search activities on that claim?</p>	<input type="radio"/> 1 Yes <input type="radio"/> 2 No → Go to B18 <input type="radio"/> 8 Don't know → Go to B18 <input type="radio"/> 9 Refused → Go to B18
<p>B14. How many times were you contacted by Service Canada in regards to your job search activities on that claim?</p>	<input type="radio"/> 1 Number of times contacted by Service Canada: _____ <input type="radio"/> 8 Don't know <input type="radio"/> 9 Refused
<p>B15. Have you been asked by Service Canada to provide proof of your job search activities?</p>	<input type="radio"/> 1 Yes <input type="radio"/> 2 No <input type="radio"/> 8 Don't know <input type="radio"/> 9 Refused
<p>B16. Have you had your claim terminated early due to non-compliance with Service Canada job search requirements?</p>	<input type="radio"/> 1 Yes <input type="radio"/> 2 No <input type="radio"/> 8 Don't know <input type="radio"/> 9 Refused
<p>B17. How would you describe your experience dealing with Service Canada during this time?</p>	<input type="radio"/> 1 Positive <input type="radio"/> 2 Negative

	<input type="radio"/> Neither positive nor negative <input type="radio"/> Don't know <input type="radio"/> Refused
<p>B18. Are you using the enhanced job alert system from the Job Bank to receive daily notifications of employment opportunities?</p>	<input type="radio"/> Yes <input type="radio"/> No → Go to B20 <input type="radio"/> Don't know → Go to B20 <input type="radio"/> Refused → Go to B20
<p>B19. Have you benefited from the information you received?</p>	<input type="radio"/> Yes <input type="radio"/> No <input type="radio"/> Don't know <input type="radio"/> Refused
<p>B20. Overall, how do you feel the recent EI changes have impacted/will impact you?</p>	<input type="radio"/> Positively <input type="radio"/> Negatively <input type="radio"/> Little or no impact <input type="radio"/> Don't know <input type="radio"/> Refused

<p>B21. Please select all of the impacts that you feel currently apply to you or you expect to apply to you in the future.</p> <p>(Select all that apply.)</p>	<p><input type="radio"/> ¹ May have to move to a new community/province to work</p> <p><input type="radio"/> ² May have to take a lower paying job</p> <p><input type="radio"/> ³ May have to work more or less hours</p> <p><input type="radio"/> ⁴ May have to commute further to work</p> <p><input type="radio"/> ⁵ May have to upgrade education/take skills training</p> <p><input type="radio"/> ⁶ Are more likely to find a job due to the job alert system</p> <p><input type="radio"/> ⁷ Feel increased stress to meet new job search requirements</p> <p><input type="radio"/> ⁸ Fear that your claim will be terminated early</p> <p><input type="radio"/> ⁹⁷ Other (specify): _____</p> <p><input type="radio"/> ⁹⁸ Don't know</p> <p><input type="radio"/> ⁹⁹ Refused</p>
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SECTION C – DEMOGRAPHICS

<p>CR1. Please answer the following questions for research and statistical purposes only.</p>	
<p>C1. Please specify your age.</p>	<p><input type="radio"/> ¹ Age: _____</p> <p><input type="radio"/> ⁹ Refused</p>

<p>C2. Please specify your gender.</p>	<p><input type="radio"/> Male</p> <p><input type="radio"/> Female</p> <p><input type="radio"/> Refused</p>
<p>C3. In which city or town do you currently reside?</p>	<p><input type="radio"/> City/town of residence: _____</p> <p><input type="radio"/> Refused</p>
<p>C4. In which province or territory do you currently reside?</p>	<p><input type="radio"/> Newfoundland and Labrador</p> <p><input type="radio"/> Alberta</p> <p><input type="radio"/> British Columbia</p> <p><input type="radio"/> Manitoba</p> <p><input type="radio"/> New Brunswick</p> <p><input type="radio"/> Northwest Territories</p> <p><input type="radio"/> Nova Scotia</p> <p><input type="radio"/> Nunavut</p> <p><input type="radio"/> Ontario</p> <p><input type="radio"/> Prince Edward Island</p> <p><input type="radio"/> Quebec</p> <p><input type="radio"/> Saskatchewan</p> <p><input type="radio"/> Yukon</p> <p><input type="radio"/> Don't know</p> <p><input type="radio"/> Refused</p>
<p>C5. Please provide your telephone number (including area code).</p>	<p><input type="radio"/> Telephone number: _____</p> <p><input type="radio"/> Refused</p>
<p>C6. Please provide your postal code.</p>	<p><input type="radio"/> Postal code: _____</p> <p><input type="radio"/> Refused</p>

<p>C7. In which occupation do you normally work?</p>	<p><input type="radio"/> Regular occupation: _____</p> <p><input type="radio"/> Refused</p>																						
<p>C8. In which industry do you normally work? (Select all that apply.)</p>	<table border="0"> <tr> <td><input type="radio"/> Agriculture, forestry, fishing and hunting</td> <td><input type="radio"/> Professional, scientific and technical services</td> </tr> <tr> <td><input type="radio"/> Mining, quarrying and oil and gas extraction</td> <td><input type="radio"/> Management of companies and enterprises</td> </tr> <tr> <td><input type="radio"/> Utilities (electricity/natural gas distribution and water and sewer)</td> <td><input type="radio"/> Administrative and support, waste management and remediation services</td> </tr> <tr> <td><input type="radio"/> Construction</td> <td><input type="radio"/> Educational services</td> </tr> <tr> <td><input type="radio"/> Manufacturing</td> <td><input type="radio"/> Health care and social assistance</td> </tr> <tr> <td><input type="radio"/> Wholesale trade</td> <td><input type="radio"/> Arts, entertainment and recreation</td> </tr> <tr> <td><input type="radio"/> Retail trade</td> <td><input type="radio"/> Accommodation and food services</td> </tr> <tr> <td><input type="radio"/> Transportation and warehousing</td> <td><input type="radio"/> Public administration (municipal, provincial and</td> </tr> <tr> <td><input type="radio"/> Information and cultural industries</td> <td></td> </tr> <tr> <td><input type="radio"/> Real estate and rental and leasing</td> <td></td> </tr> <tr> <td><input type="radio"/> Finance and insurance</td> <td></td> </tr> </table>	<input type="radio"/> Agriculture, forestry, fishing and hunting	<input type="radio"/> Professional, scientific and technical services	<input type="radio"/> Mining, quarrying and oil and gas extraction	<input type="radio"/> Management of companies and enterprises	<input type="radio"/> Utilities (electricity/natural gas distribution and water and sewer)	<input type="radio"/> Administrative and support, waste management and remediation services	<input type="radio"/> Construction	<input type="radio"/> Educational services	<input type="radio"/> Manufacturing	<input type="radio"/> Health care and social assistance	<input type="radio"/> Wholesale trade	<input type="radio"/> Arts, entertainment and recreation	<input type="radio"/> Retail trade	<input type="radio"/> Accommodation and food services	<input type="radio"/> Transportation and warehousing	<input type="radio"/> Public administration (municipal, provincial and	<input type="radio"/> Information and cultural industries		<input type="radio"/> Real estate and rental and leasing		<input type="radio"/> Finance and insurance	
<input type="radio"/> Agriculture, forestry, fishing and hunting	<input type="radio"/> Professional, scientific and technical services																						
<input type="radio"/> Mining, quarrying and oil and gas extraction	<input type="radio"/> Management of companies and enterprises																						
<input type="radio"/> Utilities (electricity/natural gas distribution and water and sewer)	<input type="radio"/> Administrative and support, waste management and remediation services																						
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<input type="radio"/> Manufacturing	<input type="radio"/> Health care and social assistance																						
<input type="radio"/> Wholesale trade	<input type="radio"/> Arts, entertainment and recreation																						
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<input type="radio"/> Transportation and warehousing	<input type="radio"/> Public administration (municipal, provincial and																						
<input type="radio"/> Information and cultural industries																							
<input type="radio"/> Real estate and rental and leasing																							
<input type="radio"/> Finance and insurance																							

	<p>federal government)</p> <p>⁹⁷ <input type="radio"/> Other (specify): _____</p> <p>⁹⁸ <input type="radio"/> Don't know</p> <p>⁹⁹ <input type="radio"/> Refused</p>
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SECTION D – RESPONDENT FEEDBACK

<p>D1. Please record any comments related to this survey or its content in the space provided.</p>	

Thank you for your participation.
Please remember that all information is kept strictly confidential.

Appendix E: Summary of Written Submission Findings

Note: Statistics quoted within the submissions have not been verified by the Advisory Panel.

New Brunswick

Province: New Brunswick
Number of Submissions Received: 8

Summary of Submissions

Respondent Summary

	Number of Submissions Received				
	Employers	Employees/ Claimants	Interest Groups	Government (Municipal, etc.)	Other
TOTAL:	2		4	1	1

Summary of Impacts (identify themes by participant group e.g. employers)

Connecting Canadians with Available Jobs Initiative

- Having people travel 100km for work maybe lead to exodus from rural regions or from NB
- Traveling during the winter can be dangerous
- Job bank notice subscription not useful. During a trial for a year, person only received one notice and it was in Quebec and not even within NB.
- Forcing seasonal workers to take work at 70% of their original salary has the risk of further impoverishing rural regions.
- Forcing workers to take jobs outside their field risks devaluating their technical expertise
- Only 1 available job for every 10 unemployed people
- Forcing seasonal workers to look for work outside their field can result in employers in seasonal industries losing skilled employees.
- New Brunswick is already dealing with the second lowest benefits in Canada (i.e. they were already receiving low wages and any cuts do nothing other than leave them in a precarious position).
- These changes encourage employers to offer lower wages.
- Businesses have guaranteed those affected by seasonal lay offs a guarantee of re-hire, continued seniority and ability to continue benefit coverage if their portion of the premium is paid however

these claimants are being forced to look for alternate work and with the current delays in processing of 8 weeks, these claimants will return to work by the time they receive their first paycheck.

Working While on Claim Project

- Reports must be calculated by hand and sent by mail. No online or phone options. Risk of delays.
- Amount being cut 50% while working has negative impact on employers. Employers have hard time finding part-time workers. For example, if someone worked 3 hours a week to load a truck, they would lose 50% of their EI benefit for 30\$ worth of work.

Best 14 Weeks Pilot Project

- People now receive on average 50\$ less per week since the Best 14 Weeks Pilot Project was ended.
- The method of calculation is resulting in big differences in the socioeconomic reality of regions (per *Monitoring and Assessment Report*)
 - 371,370 claimants received higher weekly benefits due to this project in 2011-12. Claimants benefitting from the pilot project represented 57.4% of all claimants in the EI pilot regions in 2011-12 compared to 58% in the previous year.
 - Women were more likely to benefit from the project than men. 74.5% of women in the pilot regions benefitted from the project compared to 46% of men.
 - Youth were also more likely to benefit. 72% of those under 25 earned a higher weekly benefit compared with 56.4% of claimants aged 25 to 44, 55.2% of claimants aged 45-55 and 54.8% of older workers.
 - Occasional workers (69%) were more likely than long-tenured workers (49.9%) and frequent claimants (48%) to benefit from the pilot project.

Extended Employment Insurance Benefits Pilot Project

- In 2011-12 a total of 96,510 claimants (nationally) used the additional weeks provided...representing 30.3% of all EI regular benefit claimants.

Social Security Tribunal

- Went from 900 counsel members in Canada (5 counsels in NB) to 70 arbiter-judges (None in NB).
- Many of the civil servants have ties to conservative party (previously politicians), which may affect impartiality.
- These civil servants make a yearly salary of \$91,800-\$107,900 when cuts are being made to program to reduce spending.
- Inefficient since reforms. Lots of delays, affects wait-time.
- New process too complex and confusing to the average claimant.
- Claimants do not meet arbiter-judges in person anymore. Makes it difficult for people who are uncomfortable with computers and technology.
- Videoconferences intimidating to many.
- New process is taking longer.
- Those who fund the program, business and labour, have been removed from the process.

Other Comments

- In 1990, 87% of workers in Canada faced with loss of employment income qualified for EI benefits compared to only 39% today.
- Drawing on comments made by the Supreme Court when Quebec challenged its right to recover contributions paid to the federal EI plan to fund its maternity/paternity leave:
 - The expressions of “unemployed person”, “unemployed” and “unemployment” have a variety of meanings and as such seasonal workers should be looked at in the same light as those on maternity/paternity leave (they are neither available or able to work and consequently not considered unemployed per the Supreme Court of Canada).
- The ratio between the number of jobless people and the number of job vacancies is increasing. In September 2012 8.6 unemployed workers vied for each vacant job. One year later it was at 12.5.
- Wait times at Service Canada offices to receive services and the hours of wait time to get information from the 1-800 numbers are excessive, slow, inefficient.
- New formula for benefit calculation (actual scenario)
 - Applicant applied for benefits at the end of December 2012
 - Denied by letter January 2013 (not enough hours of unemployment rate for region)
 - May 2013 letter received indicating approval of 18 weeks based on the unemployment being higher than expected for that period of time
 - Financial disaster had already set in...how does a letter five months later help?
- Actual Scenario: Apprentice with a family of 4 completed 4-weeks of block training with no payments made. Contact was made with the EI office to find out why there was a delay. The 2 week wait period was waived. He was told everything was set up properly so he should get money soon. After 2 more weeks, still no payment. Only when the block training was done and after numerous calls was it discovered that an incorrect note was put on file requiring cards to be filed. There are numerous stories of late payments to apprentices.
- Another apprentice was denied waiving of the 2 week waiting period because he took 2 modules of training in NS that same year. In order to qualify under the EI rules, he would have had to delay the completion of his apprenticeship in order to not lose the two week waiting period and it was not his fault that the community college could not accommodate him.
- Another apprentice who had 3 blocks of training completed had to take a leave of absence from his training because of family obligations. He chose to stay at home with twin baby girls and a two year old. Soon after he was presented with an opportunity to work an evening shift (four hours) which gave him the opportunity to gain experience, exposure and credit towards his apprenticeship. When he was able to return to school to complete Block 4 training he did not qualify for EI or TSD funding in NB after three years of part time work because he did not meet the 25 hours/week.

Insights:

All 5 submissions addressed the concern that the new EI reforms do not reflect the economic realities of NB, which relies on primary industries, such as fishing and forestry, and tourism. Most called for the abolition of the three categories because it negatively affects NB. For example, in Canada only 22.6% of EI recipients are considered frequent. In NB, on the other hand, 44.9% are considered frequent. This number is skewed because of the high percentage of seasonal workers in NB, compared to the Canadian average.

Newfoundland and Labrador

Province: Newfoundland and Labrador
Number of Submissions Received: 2

Summary of Submissions

Respondent Summary

	Number of Submissions Received				
	Employers	Employees /Claimants	Interest Groups	Government (Municipal, etc.)	Other
TOTAL:			2		

Summary of Impacts (identify themes by participant group e.g. employers)

Connecting Canadians with Available Jobs Initiative

Interest Groups

- Periods of job search allow for a better fit between the unemployed person and job vacancies
- Lessen the ability of employers who operate seasonal businesses to retain long tenured seasonal workers
- Creating further disadvantages for women who are primary caregivers of children and aging relatives.

Working While on Claim Project

Interest Groups

- Penalizes EI claimants with low wages and/or few hours of work; acting as a disincentive to taking available part time work.

Best 14 Weeks Pilot Project

Interest Groups

- Those who benefited from the pilot project received a weekly rate that was, on average, \$47 higher than it would have been otherwise; this represents a significant loss of money that would be spend in local economies (Canada EI Commission 2011, *EI Monitoring and Assessment Report* March 2012, page 167)

Connecting Canadians with Available Jobs Initiative

Interest Groups

- Periods of job search allow for a better fit between the unemployed person and job vacancies
- Lessen the ability of employers who operate seasonal businesses to retain long tenured seasonal workers
- Creating further disadvantages for women who are primary caregivers of children and aging relatives.

Extended Employment Insurance Benefits Pilot Project

- none

Social Security Tribunal

- none

Other Comments

Interest Groups

- Changes to the EI appeal process have resulted in a process that is no longer independent of government; resulting in issues such as access to fair and timely hearings for workers.
- Successive federal government changes to EI have resulted in shorter qualification periods, lower benefits and stricter access all during a time when the \$56 billion EI surplus is absorb back into general revenue.

Insights:

Themes that the EI program should be applied more consistently across jurisdictions/genders; ensure everyone is treated fairly and the same.

Nova Scotia

Province: Nova Scotia
Number of Submissions Received: 5

Summary of Submissions

Respondent Summary

	Number of Submissions Received				
	Employers	Employees /Claimants	Interest Groups	Government (Municipal, etc.)	Other
TOTAL:	1	1	3		

Summary of Impacts (identify themes by participant group e.g. employers)

Connecting Canadians with Available Jobs Initiative

- After a long period of gainfull, full-time employment one individual commented that the only work they were able to take after being laid off was seasonal employment. It has been several years and seasonal employment is all that they can find for employment. They expressed that now they feel like despite doing their best to even find work...they are being penalized for being seasonally employed.
- In rural areas with few employers, individuals are continually going back to the same employers looking for work – fruitless and demoralizing

Working While on Claim Project

- The individual expressed that while they are only able to find seasonal employment, they depended on the project to help employers in the community who only needed a “brief employee”. The loss of the program is not only negative for them as a claimant but also for businesses needing very short term workers as part of a longer term business growth plan.

Best 14 Weeks Pilot Project

- Seasons are short and with climate change...not all of the weeks are equal or predictable for those seasonally employed.
- Regional calculations of unemployment rates are not representative of reality

Extended Employment Insurance Benefits Pilot Project

- None
-

Social Security Tribunal

- None

Other Comments

- The changes to EI have created a reality for an employer (agriculture) to deal with loosing long term seasonal employees. The employer is dealing with a reality that they need to recruit, retrain employees each season, have employees expressing concerns that they are being “policed” by EI

staff. This decreases productivity for the employer and the employer can't help that his business is seasonal.

- In the coming season, the employer will need 30 immigrant workers from Mexico and they estimate that in their region there are 1200 immigrant workers that will come in. The positions filled by these workers ensure that other positions filled by Canadians continue to exist (i.e. without TFW the business would close and everyone would lose their employment).
- The continually rising minimum wage negatively impacts business by driving costs upwards in an industry where it is more than just labour costs that are rapidly increasing.
- Tourism Industry Association survey members:
 - 62% reported that EI changes have had very minimal to no impact on their business
 - 12% reported the changes have them concerned about out-migration
 - 12% reported the changes have made it more difficult to retain qualified, skilled seasonal workers
 - 7% reported the changes have resulted in an increase in applications; however, many applicants do not want to work, they are just fulfilling EI requirements.
 - 7% reported that there is a lack of communication to employers about the changes.
- Tourism Sector - 88% reported not seeing any positive outcomes resulting from the EI changes. "some of the guideline changes have encouraged employees to stay longer with an employer"
- Negative impact is more widely felt by women
- Less money available to save for retirement

Insights:

Common theme....there are no businesses to go work for year round. The government is not supporting business development and punishing people for working seasonally when that is the only option available.

Prince Edward Island

Province: Prince Edward Island
Number of Submissions Received: 8

Summary of Submissions

Respondent Summary

	Number of Submissions Received				
	Employers	Employees /Claimants	Interest Groups	Government (Municipal, etc.)	Other
TOTAL:			6	2	

Summary of Impacts (identify themes by participant group e.g. employers)

Connecting Canadians with Available Jobs Initiative

- Will erode income over time as individuals accept increasingly lower paying jobs.
- Puts downward pressure on already low wages offered by employers.
- “Suitable employment” classes are broadly implemented and make no sense for a school board worker. Workers in ten month employment must now apply for jobs outside of their skill set and go to job interviews after six weeks even though there is reasonable expectation that they will be rehired in their seasonal employment two weeks later. Furthermore their seasonal employment is the result of the public education system and no fault of their own.

Working While on Claim Project

- Changes have created a disincentive to working part time in certain situations.
- Suggestion to permit claimants to earn up to the greater of \$75 or 40% of weekly benefits, with no reduction. In addition, they could keep 50 cents of their benefits for every additional dollar they ear beyond that threshold, up to 90% of weekly insurable earnings.
- The number of women holding multiple jobs in order to support their families has increased steadily across Canada (by 2009 56% of multiple jobholders were women)...changes negatively impact these individuals.
- Employers and workers are expressing concerns about finding part-time and short-term workers due to changes.

Best 14 Weeks Pilot Project

- Seasonal jobs are sporadic and frequently weather dependent. As such, “short weeks” happen. With the loss of the “Best 14 weeks” these individuals are not able to highlight their full work weeks and are required to utilize weeks with lower wages as a basis for their claim.

Extended Employment Insurance Benefits Pilot Project

- Negative impacts of changes disproportionately felt by those living at the poverty line.

Social Security Tribunal

-

Other Comments

- It is a reality that year-round employment is out of the reach of many citizens, particularly those living in rural communities. When work is available Islanders have one of the highest workforce participation rates in the country – people are eager to work but can only do so when it is available.
- In the past year the use of food banks in PEI has grown by 10%.
- In PEI, women’s average full-year, full time income is still just over 80% of men’s – the changes to EI risk deepening this gap.

- Difficult to substantiate effects with facts and statistics because the changes are so recent.
- Changes to the EI system disproportionately affect women because caregiver benefits such as maternity benefits/parental benefits/compassionate care benefits are administered through EI and women are disproportionately responsible for caregiving in Canadian families.
- Documented increase in calls over the past year from women experiencing sexual or other harassment in their workplace and who did not pursue complaints to the Human Rights Commission. These women are reluctant to explain “quitting their job” to Service Canada and risk loss of benefits.
- Individuals report that they do not feel confident that they can successfully make the case that they will do worse working than on EI (i.e. lack of communication skill, lack of trust that they will be believed or listened to).
- Men are leaving seasonal work to go work “out west” full time. This contributes to relationship instability and ultimately financial strain for both partners.
- Actual story of a single mother who filed in June and in September had still not received money for her claim.
- Stories of a classroom of 17 children where 12 of the fathers were working out west.
- Other stories where others are qualifying for EI but are receiving less money than previous year and people who were denied EI forced onto social assistance.
- CBC reported story of Ms. Giersdorf who was refused benefits because she was unable to travel from her home in Montague to Charlottetown. Despite a successful appeal, this individual was recently denied benefits again despite the fact she is engaged in a RCW training program in an effort to ensure permanent year round employment in the health care industry.
- Impacts include:
 - Employers, as they lose skilled labour, experienced workers and are required to train new employees;
 - Communities, as they lose volunteers (e.g. firefighters, coaches)
 - Young families being left with only one parent part of the year;
 - Workers forced away from their families to work in locations and conditions that they would not otherwise chose for themselves.

Insights:

Theme in numerous submissions: the EI program has been running with a surplus of funds but is more and more difficult to access for claimants.

Theme of poor communication about the EI Reform consultations in PEI.

Themes of changes cause public distrust of government, fear, alienation and decreased civic engagement.

Theme from CUPE submissions expressing that their members are targeted disproportionately for “overpayments”

Appendix F: Summary of Participating Stakeholders

New Brunswick:

Front commun pour la justice sociale	Canadian Union of Public Employees
Maritime Fisheries Union	Liberal Party Members of Legislative Assembly
Tourism Sector	Fish Plant owners
MPP & Executive Assistant	Forestry Sector
Chambre de commerce Cap-Pelé	Kent South EI Reform Group
NB Federation of Labour	Greater Bathurst Chamber of Commerce
Edmundston Chamber of Commerce	Department of Economic Development
L'Atelier R.A.D.O.	Centre de bénévolat de la péninsule acadienne
Agricultural Alliance of New Brunswick	Comité d'Assurance-Emploi à la Défense des Travailleurs
Conseil économique du NB	Coast Tire
EI Claimants	

Newfoundland and Labrador:

Newfoundland & Labrador Employers' Council	Association of Seafood Processors
Canadian Union of Public Employees	Newfoundland & Labrador Federation of Labour
UNIFOR	Hospitality Newfoundland & Labrador
Coalition of Provincial & Territorial Advisory Councils on the Status of Women	

Nova Scotia:

Webster Farms Limited	Tourism Industry Association of Nova Scotia
Women's Centre Connect	Canadian Taxpayers Federation
Anne Terry Project	Cape Breton Partnership
Cape Breton Resorts	NS Public Service Commission

Destination Cape Breton	Employability Partnership
InRich - CBDC	Louisbourg Seafoods
New Waterford Resource	Northside Employment and Resource Centre
Port Hawkesbury & District Chamber of Commerce	Premium Seafoods Group
YMCA - Glace Bay, Sydney	Dept. of Community Services
Maritime Inns and Resorts	Native Council of Nova Scotia
NS Federation of Agriculture	Open Doors Career Resource Centre
Truro Chamber of Commerce	UA Local 244
Annapolis Valley District Labour Council	Queens County Family Resource Centre
South Shore Opportunities	White Point Beach Resort
Canadian Labour Congress	Canadian Union of Public Employees
Community Sector Council of Nova Scotia	Federal New Democratic Party
Micmac Friendship Centre	Nova Scotia Construction Sector Council
Nova Scotia Trucking Safety Association	Career Development Association of Inverness Richmond
United Association Plumbers & Pipefitters, Local 56	

Prince Edward Island:

Town councils	MLA's
Canadian Union of Public Employees	Rural Action Centres
Skills PEI	Newcomers Association
MCPEI	Cooper Institute
Status of Women PEI	Poverty Coalition
Council of Canadians	Chambers of Commerce
Career Development Services	PEI Coalition for Fair EI
Business Owners	Tourism Association
Volunteer Organizations	Co-ops
Rural Community Learning	Federation of Labour
EI Claimants	

Appendix G: Bibliography

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