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**The Certified General Accountants Association of Canada  
Statement delivered before the Special Senate Committee on Aging**

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Madame Chair, Honourable Senators:

On behalf of the Certified General Accountants Association of Canada (CGA-Canada), I wish to thank you profoundly for this opportunity. After all, our own 68,000 members are affected personally, as well as professionally, by the issues we are here to discuss. Importantly also, CGA has developed in recent years some research positions including a number on pensions, aging and productivity.

These are complex topics that command simultaneous considerations. Interestingly though, the themes of human deployment, the human condition and citizen well-being are central to some of the most crucial challenges before Canada today.

Canada, like other industrialized nations, requires systemic renewal as we strive to meet the challenges posed by an increasingly globalized marketplace. That necessitates a pre-emptive strategy and it is incumbent on our legislators to develop that strategy now, not 10 years hence. Failure to act today means a perpetual game of catch-up – a game we can only lose.

In comprehending, let alone trying to address, the challenge presented by an aging society and workforce, demographics can be daunting. While Canada's current median age is lower than the populations of most of the other G8 countries, the greying of the baby boom generation, coupled with an extended postwar decline in fertility, signals a dramatic rise in that median age.

Population projections point invariably to a continued rise in our median age. Canada's working-age population (15 to 64 is the prevailing definition) is projected to decline proportionately. As for the population as a whole, those aged 65 and older are projected to outnumber those 14 or younger by 2015. By 2030, the number of Canadians 65 or older will be around nine million!

While the demographics are clearly worrisome, perhaps even frightening, they represent a challenge to which a robust society and economy can rise if we can foster a less traditional mindset among employers, employees and governments.

Earlier this month, the Governor of the Bank of Canada, David Dodge, told the Calgary Chamber of Commerce that our strong fiscal position and low inflation gives us an enviable flexibility to deal with whatever comes our way. But that depends on the long-term health of our economy.

In late January, the Hon. Monte Solberg, Minister of Human Resources & Social Development, told a Public Policy Forum Conference just a few blocks from where we sit this afternoon that baby boomers should consider postponing retirement to help Canada to weather the growing labour shortage.

Minister Solberg mooted options such as improved training, enhanced income support, a shorter workweek and stimulating immigration. The latter presents an ethical challenge. Should Canada be "poaching" the brightest and best needed by their homelands to build and maintain those economies? However, since we already compete with other countries to develop, attract and retain skilled workers, can we realistically afford a conscience in this regard?

Moreover, given what we know, is it not time to help older workers maintain gainful employment? Intrinsically linked to the nation's productivity and adaptability, such a strategy also provides a means for persons to stay active, to retain a sense of purpose and an ability to continue to generate income for those who wish it.

More immediately, we could begin by redefining the term "older worker". There is clearly growing awareness that age is more than a number -- as many Senators can attest. While you are still subject to mandatory retirement at 75, the term is finally being retired for the population at large, and Finance Minister Jim Flaherty's budget last Monday incorporated helpful tax and pension proposals. We must ease the stigma associated with the term of senior and the notion that 65 years of age magically equates to withdrawal from productive life. We would not call for the diminishment of rights and benefits but would call for the removal of barriers, disincentives and discrimination perhaps unintentionally imposed. This goes beyond social programs but we are hopeful that government policy can help to reverse some of the current public thinking around ageism and retirement.

Education and training are critical to building a flexible labour force. Canada must prepare for an era -- many will say it has already begun -- in which most of us can expect to train and re-train throughout our working lives, adding skills or even changing career paths entirely.

That said, the declining ranks of younger workers in our labour pool underscore the need to make the most of our still considerable resource of experienced and trained workers who are now in their 50s and 60s. Many evidently want to continue working past what is considered a conventional retirement age. This calls for removing -- or at least lowering in the short term -- the innumerable legislative, regulatory, policy and fiscal hurdles. This calls also for the elimination of mandatory retirement, the indoctrination of workplace and life-course flexibility, and changes in recruitment practice.

Pension and benefit plans must be redesigned. Employers must put more effort into upgrading skills and hiring mature workers; CGA-Canada has noted that Canadian companies are contributing seven per cent less to workplace training than they did less than a decade ago. Mentoring programs, which used to be the backbone of any effort to bring younger workers on-stream, would mean that the invaluable intellectual capital represented by these older workers is not lost.

It is not overstating the case to say that without aggressive action across the entire spectrum of Canadian society, our future as a trading nation could be at risk. Declining

competitiveness in key sectors has drawn down our overall productivity and underlying it all is the aforementioned weak investment in human capital.

It's not only about working and productivity. It's about sustainability. Health and social programs can be modernized by building on the pay-as-you-go system to a 'health account' methodology which transfers monies to provinces based on the respective attributes of those jurisdictions. Prevention can be relied more heavily upon to curb attitudes and behaviour; integrated health networks can be evolved to close gaps and primary care reforms aimed at enhanced geriatric service can go a long way. These can lead to better outcomes for clients while also diminishing costs for institutional care. More importantly, it brings more cohesiveness to the valuable range of services already in place and accentuates healthy aging, disease prevention, assessment, treatment and care.

The reality is that most people today have difficulty working their way through our complex social and health care systems. Multiple levels of government having multiple, and sometimes overlapping, mandates serve to confuse even those having the inclination and ability to surf the world-wide-web. Even where there are repositories of information on system access points, folks are challenged to know which supersedes which.

Making matters all the more complicated, these things must all be done with a view to ensuring also some intergenerational equity. Our younger people continue to need education and supports. Others with means, that have aged, continue to be frustrated that they do not qualify for, or have had their benefits clawed back from programs that they helped fund. Surely, these sentiments do influence the human condition.

Investments in training and innovation continue to be required for a vibrant economy; for competitiveness, productivity and prosperity. Taxation, as a source of government revenue, is considered by many to have reached its saturation point. As such, perhaps the real opportunity lies in empowering our aging population to contribute as it would if uninhibited by disincentives and competing policy priorities; all the while affording the health and social services that we, as a nation, require. The Certified General Accountants Association of Canada believes that this is both positive and reasonable.

Madame Chair, thank you again for this opportunity. I applaud the work of this Special Senate Committee and look forward to the committee's findings and recommendations.