

VIA EMAIL

July 30, 2021

Ontario Workforce Recovery Advisory Committee  
c/o Susan McArthur, Chair  
Ministry of Labour, Training and Skills Development  
400 University Avenue  
Toronto, Ontario  
M7A 1T7

**Re: Future of work consultation**

Dear Susan:

On behalf of our 38,000 small- and medium-sized business members in all sectors across the province, the Canadian Federation of Independent Business (CFIB) welcomes the opportunity to provide recommendations to the Ontario Workforce Recovery Advisory Committee.

There is no doubt that small businesses in Ontario have been hit long and hard by the pandemic. A recent CFIB survey revealed that 90 per cent have suffered in some way because of COVID-19. Minister McNaughton acknowledged in a February 19, 2021 news release that, "Small businesses are the lifeblood of our communities and they have felt the brunt of this pandemic."

An impressive 86.4 per cent of all private sector jobs in Ontario were created by a small- or medium-sized business; it goes without saying that SME recovery will determine the success of the province's overall economic recovery.

Above all, the Ontario government should maintain financial and other supports long enough to help small businesses get through the critical post-pandemic recovery period. At the same time, we also urge government to adopt a "do no harm" approach: Any changes to labour and other policies must not add even more costs and/or red tape to small business recovery. COVID-19 has made hiring more competitive, so the last thing a business needs now is a barrier to job creation.

Even before the pandemic started, shortage of labour was a huge issue for small businesses. When we surveyed our Ontario members in late February 2020, 79 per cent told us they had experienced difficulties finding new employees, and 50 per cent said they had been affected by both a labour and a skills shortage during the past three years.

Our July 2021 Business Barometer® report shows that shortage of labour continues to be the top limitation on sales or production growth for our membership across Canada.

Based on our members' experiences, we believe the following labour-related recommendations would help small businesses on their long road to recovery and beyond.

- Continue to address the minimum wage in the same stable, predictable manner you have followed throughout your mandate. When minimum wage increases are tied to the inflation rate, the increases are more manageable and small business owners can better budget knowing their exact annual labour cost changes.
- Work with affected stakeholders to develop a short- and long-term Labour Shortage Strategy. The plan should address COVID-19-related labour shortages impacting the hospitality and other sectors, and longer-term issues such as a lack of auto technicians and skilled truck drivers.
- Introduce a mandatory Workplace Safety and Insurance Board (WSIB) rebate policy to return extra money to the employers who paid it in any year a surplus is realized. In general, CFIB advocates across Canada for the rebate to kick in when a board's funding level reaches in the range of 100-110 percent. Profit-insensitive taxes like WSIB premiums are particularly punitive during periods of low revenues such as a pandemic. That's why this long-standing CFIB ask of government is so important now.
- Explore improvements to Ontario's apprenticeship program supports, including an apprenticeship tax credit and an alternative for small businesses to the Group Sponsorship Grant that is more suited to larger businesses.
- Implement a training tax credit that recognizes the significant amount of informal training conducted by small business employers. Our Training and Apprenticeship Survey of February 2020 also revealed that 43 per cent of small businesses provide informal, on-the-job training to their employees. The survey also found that 67 per cent of small businesses would provide or increase training if tax credits were available.
- Offer a tax credit to companies that hire students in a Work-Integrated Learning placement such as a co-op program or internship.
- Extend the timeframe for occupational re-certifications (e.g., Occupational Health and Safety training) and other renewals to avoid unnecessary cost and time to both employer and employee.
- Work with the federal government to:
  - Increase the number of immigrants allowed into Canada through the Ontario Immigrant Nominee Program to help more foreign workers with the skills and experience the Ontario economy needs to apply for permanent residency.

- Ensure that information about the rules and procedures of the Canadian immigration system are clear and accessible to employers and new immigrants, particularly for employers filling out the Labour Market Impact Assessment application.
- Implement an Employment Insurance holiday for hiring youth.
- Unilaterally extend the principle of mutual recognition (beyond credentials) to occupations in all Canadian jurisdictions, as recently recommended by Nova Scotia’s Economic Growth Council and accepted by the Nova Scotia government. The Canadian Free Trade Agreement requires that occupational/professional credentials be recognized, but allows provinces to issue separate licences.

While the end of the pandemic is in sight, we are still a long way from business as usual. Only 57 per cent of Ontario’s small businesses are fully open, and many are still facing capacity restrictions that are stalling their recovery. A mere 33 per cent are back to normal revenues, just 40 per cent are at normal staffing levels, and an alarming 18 per cent are actively considering bankruptcy.

Add to this mix an average of about two years for small businesses to recover and the need is established for a long-term, multi-faceted recovery strategy with more financial supports and a “Stay Open” plan that guarantees no more business lockdowns. The recovery strategy should include flexibility to continue existing temporary layoff and constructive dismissal measures if businesses still need them.

Thank you again for the opportunity to share our members’ views on the future of work in Ontario.

Sincerely,

*Original signed by*

Julie Kwiecinski  
Director of Provincial Affairs, Ontario

*Original signed by*

Tabeeena Saleem  
Intern in Public Policy, Ontario