

POLICY REPORT



Questions & Discussion

1. Are the challenges identified in this report the most significant for small business? Are any missing?

kawartha
CHAMBER of COMMERCE & TOURISM
KawarthaChamber.ca

A WEALTH OF CHOICE
Partnerships and Options

JOIN US & BE AMAZED!

WELCOME TO OUR NEIGHBOURHOOD & ADVENTURE

SMALL BUSINESS TOO BIG TO IGNORE

#TOOBIG2IGNORE

JUNE 2016

WHO WE ARE

PETERBOROUGH CHAMBER OF COMMERCE

A member-based organization representing over 900 Peterborough and area businesses.

Our main focus is to channel the collective strength of the business community to improve the economy.

This includes providing representation on numerous committees, conducting surveys, issuing discussion papers and developing policy positions on issues of significance to our members.

KAWARTHA CHAMBER OF COMMERCE AND TOURISM

As a trusted voice for business and a champion of prosperity and vitality in our region, the Chamber's mission is to strengthen business, regional recognition and pride of place, by serving our members and communities.

INTRODUCTION

Policy advocacy on behalf of our members and business in our community is a core priority of the Peterborough Chamber of Commerce and the Kawartha Chamber of Commerce & Tourism. We want to know the policy issues that are important to you so that we can effectively represent your interests.

To that end, two roundtable events were held on Thursday, June 23, 2016 in Lakefield at the Marshland Centre and in the Station Boardroom at the Peterborough Chamber of Commerce.

Twenty-eight business owners and business advocates attended the two hour sessions discussing issues relevant to small business in our communities. The roundtables were part of the Small Business Too Big To Ignore campaign launched in May 2016 in partnership with these two local chambers, other chambers and boards of trades across the province and the Ontario Chamber of Commerce.

Top 3 Obstacles to Small Business Success

This introductory report by the Ontario Chamber of Commerce lays out three obstacles that are common across the province:

1. Lack of Access to the Workers We Need
2. Key Infrastructure Gaps
3. The Rising Cost of Doing Business

The campaign is designed to highlight the importance and contributions of small business in Ontario. The feedback from our local roundtables and others across the province will inform a final report on the factors critical to the success of small businesses. The final report will be released during Small Business Week in October 2016.

For more information on Small Business Too Big To Ignore, please visit www.peterboroughchamber.ca/small-business-too-big-to-ignore.html



ROUNDTABLE QUESTIONS

The participants of both roundtables were divided into small groups to answer the following three questions:



1

Are the challenges identified in this report the most significant to small business? Are any missing?




2

What are the solutions to these challenges?



3

How do we work together as a business community to ensure government responds to these challenges?



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ROUNDTABLE DISCUSSION

1

Are the challenges identified in this report the most significant to small business? Are any missing?

ROUNDTABLE 1

Education

- Primarily of newer employees
- Degradation of education – elementary to colleges and professional training – the standards are dropping
 - Therefore, the quality of workers has dropped
- Education – starting earlier to get the grade 9 and 10s in the work setting
- Get them ready earlier to be better employees later on
- Apprenticeship regulations too steep – too much red tape and bureaucracy

Compliance

- Increasing accountabilities for small businesses to follow via legislation
 - Financial Service Commission of Ontario – regulate a number of professions – auditing
- Disconnect between government regulations and the 'real world' of business
- MTO, TSSA – affecting the operations of small businesses
- Cost of compliance is high, not just equipment, staffing and time, but investigation fees and other government charges

ROUNDTABLE 2

Education

- Low literacy and numeracy rates in younger people
- Lack of programs for older entrepreneurs
 - PED has BLAST program, but this is a pilot
 - Many older people are changing careers and starting own business

Compliance

- Cost of compliance with legislation – building codes, health and safety, violence and harassment in workplace, AODA, etc.
 - Requires staff training, documentation, etc.
 - These requirements aren't necessarily bad; issue is cost
 - Gov't needs to have a long-term take on how these requirements impact business
 - Ministry of Labour and WSIB, each with different requirements for e.g.
 - Too many hands in the pockets of small business (e.g., licensing fees to SOCAN and Re-Sound for a small coffee shop just to play music)
 - Seem to introduce at least one new piece of legislation per year

ROUNDTABLE DISCUSSION

Rural vs. Urban

- The province is forcing settlement areas – rural is no longer being recognized for its unique qualities
- Employees coming from Lakefield high school for example – funding for rural schools is being lost
- Strict rules for where businesses can be located – R&J Machine wouldn't be able to be located where they are located now
- Toronto GTA mentality – big city solutions don't necessarily transfer well to the rest of the province

Workplace Attitudes

- More transient workers – train them then they leave
- Losing employees to bigger cities
- Bureaucracy – paper work – daunting
- People don't have the same job for a long time
- With media and social media, people still feel close from far away so people aren't staying close to home
- Thresholds for paying living and minimum wages
- Layering wages to hire students

Succession Planning

- Hard to do and find the right people
- Can't compete with the public sector (for employees)
- Average age of union members is 56

Procurement

- Seems to be suggestion that bigger is better for contractors
 - Outside companies getting major jobs
 - E.g., local contractors could have handled library renovation; instead, City using large companies from GTA. Some local companies couldn't even quote on it because of pre-qualification requirements
 - Pre-qualification is good way to ensure quality, but can be restrictive
 - Provincial procurement act doesn't allow for local preference. Can't have local preference, just local opportunity. Need to at least give them opportunity to bid

Sustainability

- Sustainable Peterborough creating climate change action plan. Chamber was on economic working committee. Suggested environmental score be added to RFP scorecard. Must consider environmental costs associated with each bidder (e.g., uses more fossil fuels to bring in service providers and supplies from GTA than in town).
- Makes a good case for sustainability. Action plan to be approved by municipalities; if it passes may start movement for changes to procurement scorecard.

Partner Work

- Can be difficult to hire employees with necessary skills; often have to hire from out of town.
- Candidates need to know that their partner will also be able to find employment, should they choose to accept and relocate.

ROUNDTABLE DISCUSSION

Insurance

- Insurance rate – barrier for youth
- Young employees can afford the car, but not the insurance to get to work
- But can use public transit to get to Toronto for example

Small Business Programs

- Lack of funding
 - Need grants for funding expansion
 - Difficult to navigate grant system and identify what grants apply to what you want to do. Very time consuming to research and write grants; time small business owners may not have to dedicate to process.

We need to convey to [Ontario] government, and the general public, that the costs of growing a business in any industry are significant.

***Participant,
Roundtable***



ROUNDTABLE DISCUSSION

2

What are the solutions to these challenges?

ROUNDTABLE 1

Red Tape Challenge

- Industry Ontario – “Red Tape Challenge”
 - Recommending that chamber members populate the website with what is wrong
 - Reporting period until 2018
 - Compiling a report of the red tape complaints
 - None of the businesses listed relate to small businesses – need to push from the small businesses to get their voice heard
 - Red Tape Challenge idea came from a chamber document – Emerging Stronger

Government Expectations

- The government seeming to being adversarial
- For a first time error be lenient, and then warnings – shouldn't be such harsh penalties at first mistakes
- Accountability and red tape – some way for the province to present clarification of their expectations
 - No idea an inspector was coming to the business for example
- Clearly listing the expectations for small businesses from the provincial government

ROUNDTABLE 2

Red Tape Challenge

- Eliminate some of compliance programs
 - Provincial government currently has policy that for every new piece of legislation introduced, two must be eliminated. This may not be apparent, as those eliminated may not apply to your particular business.
 - Ontario government's Red Tape Challenge looking at 6 different sectors. Take a look; even if it doesn't apply to your business, add your feedback. Program will go until 2018; once it closes, chambers will ensure government asks “What other areas should we be considering?” This program was a Chamber network suggestion. Similar program in Britain successfully removed over 3,000 pieces of legislation.

Government Expectations

- More inter-Ministerial awareness
 - Government ministries and agencies should develop a plan; work together, don't compete
- CRA passed legislation that if you contact them and they give you a ruling on something, that ruling has to be honoured (they can't say “No, that person was wrong”). Should have this at provincial level as well. Often get different answers, depending on who you talk to.
- If governments make a promise, they should have to deliver on it during their

ROUNDTABLE DISCUSSION

Education - Apprenticeships

- Increasing vocational opportunities in junior high and high school - Not everyone is cut out for a master's degree
- Going to school for a 2 or 3-year program is daunting
- Smaller scale program
- Incremental steps for learning and working
- Apprenticeship ratio expansion

The pathway through the apprenticeship program needs to be easily marked.

**Participant,
Roundtable**

mandate. Often timelines are very long; everything in flux while we're waiting. Can't plan business growth based on these promises that are far out. Some timeframes are set up to make it easier to transition (e.g., 7 year phase-in of CPP allows time for businesses – especially solo entrepreneurs who must pay both portions – to budget and adjust).

- Introduce incentives from government to choose local suppliers
 - Find a way around provincial legislation, to remove local barriers

Education - Retraining

- Make it easier to fill temporary staffing needs
 - For seasonal employers, can be difficult. If need someone, have to call person you have laid off, but often they don't want to come back because it disrupts their EI. Interrupting EI creates significant complications
- Literacy retraining
 - Ministry of Education needs to address literacy issue
 - Affects our national and global competitiveness, hurts our productivity
 - Should have mandatory retraining for these people to learn functional literacy and numeracy
 - Policy resolution at OCC recommends adding full course in financial literacy as a requirement for high school graduation
 - Need to revamp entire education curriculum. Has to start earlier than high school – need to start at elementary level

ROUNDTABLE DISCUSSION

Small Business Grant Programs

- Funding projects
- Bring forward projects to board to possibly receive funding

Rural vs. Urban

- Encouraging car sharing
- Whitby – got off the GO station, and there was an on demand taxi service
- In Oshawa more bus-oriented, so people were getting off at Whitby to take advantage of on demand taxi service
- Using technology, developing car pool in rural settings
- Studies are usually only urban based – forgetting the rural
- Former urban folks, now living in rural areas, want to shut the door to infrastructure
- E.g. build a house next to a farm and complain about the smell

Small Business Grant Programs

- Streamline grant application process
 - Set up database for small business grants, templates, etc.
 - Make review process more efficient
- Government grants
 - Need smarter regulations, not just grants
- Financial incentives for small business

Tax Credits vs. Government Programs

- What about tax credits? Would they provide a suitable alternative to grants?
 - E.g., Capital Cost Allowance: Manufacturer could purchase machinery and have their accountant claim it as a capital cost, to apply for tax credit
 - E.g., If there was a capital cost allowance for accessibility improvements, would it make an expenditure more appealing/doable if you knew that you would get a certain percentage back?
 - Could this be better than a grant, in that it shifts the expertise from the entrepreneur to the accountant?
 - Allows the entrepreneur to make the decision, instead of bureaucrats
 - If the entrepreneur has a cash flow issue, tax credits won't help. An interest-free loan would be much more useful.
 - Would it help to have businesses certified to provide certain products or services? If you needed something in order to be in compliance with a piece of legislation, you could purchase from one of these businesses.

ROUNDTABLE DISCUSSION

Infrastructure

- Infrastructure – level of accountability held to the people building infrastructure
- It's not just the cost of hydro, it's the hydro being unavailable – loss of revenue and product during power outages
- It's not just building the infrastructure; it's keeping the people doing the business accountable

Over the past 13 years, my business has lost hydro service 17 times. That translates into \$17-20K in lost revenue and \$5-10K in lost product.

***Participant,
Roundtable***



ROUNDTABLE DISCUSSION

3 How do we work together as a business community to ensure government responds to these challenges?

ROUNDTABLE 1

Role of the Chamber

- Local chamber and Ontario chamber are to be the voice – there needs to be clarity and consolidation
- The governance structure of how Ontario Chamber and local Chambers interact may need a revamp to project the small businesses voices
- One strategic plan for all chambers of commerce -What does the chamber look like in Ontario for everyone? It will be the ultimate voice for everyone
- Bigger voice – bigger action
- Better action at the grassroots
 - Merchant visa costs – e.g. all chamber members saying that they won't take visa anymore
- Everything is bottom up in the chamber at the moment instead of a top down approach; how do we balance that with a need to have direction from OCC?
- The Chambers of commerce are a strong and respected voice heard by the province
 - Pharmacy doing flu shots is a result of agencies working together through the chamber
- Empower the chamber to do work
 - How can the KCCT be more effective with the Peterborough chamber?
- How do we not create another bureaucratic level, but get all the smaller chambers involved at the table with the policy

ROUNDTABLE 2

Role of the Chamber

- Promote Chamber Work, Get Members Engaged
 - Keep blowing Chamber horn, to keep members aware of everything we're doing
 - Business people are very busy; need to keep putting this out to get people interested in getting involved
 - Big businesses have time and people to spend advocating on their behalf. Small businesses need to utilize groups like Chamber to give voice to small business.
- Strength in Numbers
 - Use groups like Chamber, DBIA, to act as collective voice
 - Chamber represents business, both small and big business. Is there a voice for just small business? As issues move up to higher levels within Chamber network, do they come to represent big business more so than small? When a member brings an issue forward, Chamber looks at it as "a member is a member is a member", irrespective of business size.
 - Chamber has strong voice, at all 3 levels of government, to ensure local issues and small business issues don't get lost.
 - Policy resolution model from grassroots up to OCC to Queen's Park. Does this model work municipally? Is there a way to improve this?

ROUNDTABLE DISCUSSION

Mid-Size Cities Pilot Project

- There is a need for legislation to allow for mid-sized cities to prosper
- Some mid-sized cities are like a hub – support outside rural/small communities
- Peterborough selected for Ontario Pilot project – sustainable green economy and community is regional area focus theme
- Also developing ideas to take to the province as they are interested in the needs of mid-sized cities
- Small urban with rural connections
- Committee includes: John Good, Community Foundation of Greater Peterborough; Ken Doherty, Director of Community Services City of Peterborough; Sandra Dueck, Policy Analyst Peterborough Chamber of Commerce; Rhonda Keenan, President & CEO Peterborough Economic Development
- Lead group is Evergreen, a national charitable organization

More Power for Municipalities

- Municipalities don't have as much power as province
- Chamber part of Evergreen group looking at mid-sized cities, like Peterborough. This group is asking "What do mid-sized cities need from province to be sustainable and continue to provide this lifestyle?" Chamber can take today's suggestions to this group.

NEXT STEPS

Survey

The Peterborough Chamber of Commerce and Kawartha Chamber of Commerce and Tourism have developed a [survey](#) to reach more businesses through the Small Business Too Big To Ignore campaign.

Final Report

The discussions and information from the roundtable events and survey will be passed to the Ontario Chamber of Commerce to be included in a report to the provincial government. The final report will be released during Small Business Week in October 2016.

SMALL BUSINESS

TOO BIG TO IGNORE



*Thank you to our
roundtable participants.
The information and perspective
provided has been invaluable
to our organizations and the Chamber
Network as a whole.*

Questions & Discussion

1. Are the challenges identified in this report the most significant to small business? missing?

STRENGTHENING
THE BUSINESS COMMUNITY.
STRENGTHENING
YOUR BUSINESS.