The Canada Training Benefit

Presentation to the Senate Standing Committee on National Finance

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May 29, 2019
About CFIB

- Represents independent business
- 110,000 business members across Canada
- Non-partisan, not-for-profit organization
- Deals with federal, provincial and municipal issues
- Represents all sectors, all regions
- One member = one vote
Vacancy rates for small business historically high with almost 409,000 jobs left unfilled

Source: CFIB, Help Wanted, Q4 2018.
The shortage of skilled labour is the biggest limitation on SME growth

Limitations on sales or production growth

- Insufficient domestic demand: 32%
- Insufficient foreign demand: 5%
- Foreign competition: 11%
- Shortage of skilled labour: 38%
- Shortage of un/semi-skilled labour: 24%
- Management skills, time constraints: 24%
- Shortage of working capital: 19%
- Shortage of input products: 5%
- Product distribution constraints: 8%
- Limited space: 17%

Small businesses invest in training

Annual training investment (in $ billions), by type of training, 2014

SMEs invest $14 billion in training

Small firms hire more inexperienced workers

New hires with no experience as a percentage of total employees, by size of business (% of total employees)

- 2 to 4: 18%
- 5 to 19: 12%
- 20 to 49: 12%
- 50 to 99: 9%
- 100 to 499: 9%

Employee training is important to small business owners

Training my employees is an important investment for my business. (% response)

Canada Training Benefit: Disaster or Opportunity?

• CFIB takes no issue with government providing financial support for employee-centred training through Canada Training Credit.

• Major concerns with EI Training Support Benefit:
  • *Currently no role for employer in determining the type of training.*
  • *Employers would be required to provide leave, regardless of whether there is a business-related benefit.*
  • *EI Small Business Premium Rebate is very small (expected to be 2 cents/$100 in premiums).*
• With significant changes, this could be something great.
CFIB Recommendations:

• If time away from an existing job is needed, a joint employee-employer agreement should be required to ensure relevance to current workplace.

• The EI Small Business Premium Rebate should be increased (e.g. small employers pay the employee rate on first $20,000 in premiums).

• The 1 week waiting period for receiving EI benefits should be waived and employers permitted to top-up wages during training period.
Leave Provisions

• Ensure that employers have a say in the type of training and in the timing of the leave of an employee.

• Require employees to provide the employer with three months’ notice when requesting a leave for training.

• Do not require the employer to issue an ROE for training leave, or simplify the ROE.

• Include a stipulation that employees must remain with the same employer granting the leave for a certain minimum period to recognize the impact on the employer during the employee’s absence.