Small Businesses views on Bill C-86

Presentation to the Standing Committee on Social Affairs, Science and Technology

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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
Big challenges for small businesses

- Trade uncertainties with U.S.
- CPP increases for the next 5 years starting in 2019
- Small business tax changes
- New carbon taxes in many provinces
- Growing labour shortages across the country
Business Barometer Index and GDP (October 2018)

Figure 1: Business Barometer Index and GDP

Vacancy rates for small business at an all-time high: almost 400,000 jobs are left unfilled.
Which of the following flexible workplace practices does your business offer employees? (% response)

- Allow time off to deal with personal issues: 94%
- Flexibility in scheduling vacation: 93%
- Flexible work schedules (e.g. working longer hours over a 4-day workweek instead of a regular 5-day workweek): 54%
- Allow workers to bank extra hours for later use/time off: 50%
- Voluntary reduced work time and salary (e.g. shifting from full-time to part-time work): 42%
- Option to work from home: 16%
- Other: 2%

Source: CFIB, Changing World of Work survey, August-October 2017, n = 7,559.

CFIB.ca  In business for your business.
How would you rate the impact of two paid and eight unpaid Personal Emergency Leave (PEL) days on your business? (% response)

- Very negative, 40
- Somewhat negative, 29
- No impact, 20
- Somewhat positive, 2
- Very positive, 1
- Not applicable, 7
- Don't know, 2

Elimination of minimum length of service requirements

- Implications for small employers, particularly those with less than 20 employees
- In tight labour markets, filling job vacancies is difficult
- Impacts on the businesses’ productivity
Elimination of minimum length of service requirements

"I have 2 two employees that have worked for me for over 10 years and one employee did a back to back maternity leave and the other did 3 maternity leaves over a 4 year period. I'm a small business and this hurt my business very much and caused a lot of stress and issues for the other employees. I even had 3 employees quit because of the stress and one have a breakdown and had to take six months off due to stress and then quit. A one year maternity leave might be good for everyone else it's very, very hard and extremely stressful."

Retail Member, Ontario
Equal Pay for Casual, Part-Time, Temporary and Seasonal Employees

- Understand the intentions behind the proposed measures to equalize compensation levels
- The average number of employees in small businesses is 11 (compliance with the proposed legislation applies to businesses with 10 or more employees).
- The government must ensure an “education before enforcement” approach as small businesses adapt to compliance requirements
Summary of recommendations

- Consider these changes in the economic context in which businesses are currently operating
- Small business owners are already working closely with their employees to ensure a flexible workplace
- Provide small employers with greater flexibility to manage their relationships directly with their employees
- Consider the impact of PEL days on the smallest of businesses
  - Establish a threshold for Personal Emergency Leave in businesses with 50 employees or higher
- Simplify requirements to ensure better compliance and reporting by SMEs
- Small businesses understand the intentions behind equal pay measures, but must given the time and capacity to acclimatize (education before enforcement)