

Open Letter to all Ontario Members of Provincial Parliament (MPPs): Stand up for Small Business

VIA EMAIL

May 16, 2017

Dear Member of Provincial Parliament:

Re: Potential minimum wage & employment standards/labour changes

Dear Member of Provincial Parliament:

On behalf of our 42,000 small- and medium-sized businesses across Ontario, who employ approximately 500,000 Ontarians, we are writing to express grave concern in light of recent media reports on imminent changes to labour and employment laws as a result of the Changing Workplaces Review, and a potential hike of the minimum wage to \$15/hour. We were extremely disappointed to hear that instead of releasing the Review's recommendations and undertaking thorough consultations, risk analysis and cost estimates on the specific measures, the government has already picked which options to consider. Furthermore, small business owners in the province feel blindsided by the news that a \$15/hour minimum wage is now under consideration, despite it being *explicitly outside* the scope of the Review.

During the Review process, CFIB twice appeared before the Special Advisors and provided three written submissions. It is clear that the opinion of small business will once again be ignored, just as it was in the interim report. Instead of creating a level playing field, the potential measures presented in the media imply that the final report will cater to the demands of big labour - including card-based certification - at the expense of the small- and medium-sized businesses in this province that employ 87.3 per cent of Ontarians.

To meet the needs of the evolving workplace and workforce, it is essential that the provincial government pursue policies that create jobs and support small business growth. We are concerned that the potential changes imply the government is focused on regulatory back-peddling, instead of finding modern, innovative solutions. We strongly encourage you and your legislative colleagues to look to the future of Ontario's changing workplace, not the past.

In 2014, the current government indexed minimum wage increases to inflation, which removed politics from the process. Now, it appears the government is abandoning its own principles in favour of a move that might be popular, but is neither rational nor affordable to those who have to pay for such an increase. We believe it would be highly irresponsible for the government to commit to any increase in the minimum wage without first conducting a public, transparent and thorough economic impact analysis. In the meantime, if the province is serious about helping low-income

Ontarians, government could consider other options that would not slow job growth and devastate the provincial economy. For example, increasing the basic personal income tax exemption threshold would allow Ontarians to keep more of their own hard-earned money.

If media reports are true, it appears that the government either does not understand the reality of running a small business in the province, or what's worse, it simply doesn't care. Ontario's small business owners should not be painted with the same brush as large corporations. They have neither the financial capacity nor the profit margins of big businesses. The earnings from a small business usually represent the income for the whole family, and when such fundamental cost pressures are imposed on them, the unintended consequences affect not just the business, but the family of the owner as well.

Because of government decisions over the next eight years, Ontario's business owners who are already struggling with the high costs of doing business in this province will simultaneously pay more through increases to Employment Insurance and Canada Pension Plan payments, cap and trade costs, hydro rates, and the minimum wage (with or without the hike to \$15/hour). Ontario's small business owners are being forced to shoulder the burden of these reforms, while government doesn't pay a single cent. Small businesses simply cannot afford it. Labour reforms, such as the ones being discussed in the media, would devastate small businesses and as a result, would kill jobs and slow down economic growth. The relatively strong economic performance of the province and lower unemployment rate should not be taken for granted, nor should they be used as an excuse to ram through significant labour changes that are in no way balanced or reasonable.

We firmly believe that small business owners deserve to be consulted on any change that could mean the difference between being open for business, or closed for good.

We strongly urge you to stand up for Ontario's small business owners and oppose any rush decisions on labour reforms. Start by talking and listening to the small business community in your riding. We ask that you support fulsome consultations on any and all final recommendations that are brought forward as a result of the Changing Workplaces Review *before any commitment is made* on amending the Labour Relations and/or Employment Standards acts, or increasing the minimum wage beyond the rate of inflation.

Thank you for your attention to this important matter.

Sincerely,

Original signed by

Plamen Petkov
Vice President, Ontario

Original signed by

Julie Kwiecinski
Director of Provincial Affairs, Ontario