

WINDSOR-ESSEX REGIONAL

Chamber of Commerce

2023 Federal Budget Submission

Introduction:

The Windsor-Essex Regional Chamber of Commerce has been the “Voice of Business” in Windsor-Essex for almost 150 years. As a organization that advocates for businesses in our region we are acutely aware of the challenges facing our economy locally, regionally, and nationally. Through the Chamber network at the provincial and national levels we work with our partners to advocate solutions to challenges facing businesses big and small. In that role we have had the pleasure of working with members of all parties both while in government and while in opposition.

To that end, the Chamber is proud to make this submission outlining its priorities and concerns for the 2023 federal budget. These issues were considered carefully and in consultation with our advocacy committee representing businesses large and small across a variety of sectors. These issues are both unique to our locality and region as well as broader, national issues that impact businesses in Windsor-Essex.

Employment Insurance Rate Freeze

Much of the assistance provided to Canadians during the COVID-19 Pandemic was provided via the Employment Insurance program. While the Chamber applauds the efforts undertaken by the federal government to keep individuals somewhat insulated from the economic effects of a global pandemic, the bill for these emergency programs is being unfairly placed on businesses. Businesses have for years been concerned with the fact that employers pay an additional 40% on-top of matching the employee contribution. The \$0.05 increase per \$100 dollars of earned income means that employers are paying even more. The additional \$0.05 increase to take effect in 2024 and 2025 means that employers are going to be bearing the burden over years for programs not beneficiary to them. There is a solution. In 2021 the Federal Government made the decision to temporarily freeze rate increases on employees and employers. The Chamber asks that the Government reinstitute the rate freeze to ease the burden on employers and prevent the rate from further increases.

Municipal Nominee Program: Windsor

The Chamber has been advocating over the past few years that the city of Windsor be included in the Municipal Nominee Program. Marco Mendicino as Minister for Citizenship and Immigration was very receptive to Windsor serving as a community for the pilot project but we have not heard anything since the Minister left his role. The Chamber not only believes that inclusion in the pilot program will be invaluable to our local economy, but that Windsor serves as a great community in which to conduct the program. Windsor serves as one of Canada's most diverse communities with immigrant populations from the middle east, south Asia, east Asia, and eastern Europe. Windsor is also a smaller community which as a whole, smaller communities have historically had difficulty attracting newcomers to Canada with a lack community resources. The Chamber believes that Windsor has all the necessary elements to make the program a success.

Capital Cost Allowance for Vehicles

Under class 10.1 of the Capital Cost Allowance (CCA), the Canada Revenue Agency (CRA) allows businesses to deduct the cost of vehicles over several years due to their depreciating value. However, the current CCA for vehicles is woefully short of the current market cost for both new and used vehicles. The current amount of \$30,000 is well short of the current average vehicle price in Canada which is approximately \$54,000 for a new vehicle and \$36,000 for a used vehicle. This low limit prevents businesses from properly being able to account for the depreciation of the asset which is the primary goal of the CCA. Furthermore, without any adjustments over the past 33 years, businesses run the risk of paying taxes on the proceeds of disposition on the resale of their vehicles and even capital gains taxes if the vehicle sells for more than \$30,000. The Chamber asks that the CCA limit for vehicles be raised to \$54,000, adjusting for the average price of a new vehicle and that this rate be pegged to the average price for new vehicles going forward to prevent this situation arising in the future.

Allow International Students to Participate in the Canada Summer Jobs Program

Over the past several years, the Government and the Chamber have noticed the labour shortage that is impacting the Canadian economy. At the same time, the Chamber has long been an advocate for further integration of international students in the Canadian economy. This is why we are advocating International Students should be able to participate in the Canada Summer Jobs program. Employers across Canada are struggling to fill the gaps coming from an aging workforce. They have explored all opportunities and are trying new and innovative ways of attracting and retaining workers but cannot keep up with workforce departures. At the same time this program serves as an invaluable opportunity for International Students to gain valuable Canadian work experience. Having this work experience, especially if it is in their educational field, adds extreme value to their resume that aids in their job search upon graduating. Allowing international students into the program is a benefit to both the students and the employers.

Delay CEBA Loan Repayment by One Year

The Canada Emergency Business Account (CEBA) loans were an invaluable asset for businesses during the COVID-19 Pandemic. The Chamber wants to acknowledge the assistance the government provided to so many businesses during an unprecedented period. However, many businesses are yet to fully recover from the pandemic, dealing with many of its after effects that have prevented their return to pre-pandemic revenues and profitability. Businesses are dealing with inflation levels that have not been seen in decades, often absorbing the cost to their bottom line to prevent loss of customers. In order to combat this inflation, the Bank of Canada has had to resort to interest rate hikes that while limiting inflation, have also increased the costs of borrowing money for many businesses. These factors combined with increased MERCs, an increased cost of labour, and an anticipated global economic slowdown; the Chamber is concerned how much strain will be put on small businesses to repay these loans. The Chamber is asking that

the Government of Canada delay CEBA loan repayment by one-year for businesses to adjust to a post-pandemic economy with these unique challenges.

Bringing in a New Workforce: Increase the pace of Immigration

Canada has known of the upcoming grey wave for quite some time with the impending retirement of the baby boomer generation. Accelerated by the COVID-19 Pandemic, that moment has arrived with many workers permanently leaving the workforce. Canada cannot depend on the domestic population to replace the workforce lost and to cover the cost that is coming to the benefits programs offered to retiring workers. The Chamber asks that the Canadian Government increase the pace of immigration to bring in the workers Canada needs, and address the challenges brought by the wave of workers who have left or will leave the active workforce over the coming few years. Canadian businesses need workers both skilled and unskilled to keep their operations running smoothly and only increased immigration can fill the growing gap in the labour market.

Non-Canadian Housing Purchase Ban

As Canada continues to grapple with a housing crisis, we appreciate the federal government's approach to consider all options. While generally supportive of the government's decision to ban foreign nationals from purchasing property, the Chamber feels that the current ban is too restrictive. While the ban does allow permanent residents to purchase property, it does not allow those in Canada on either a student visa or work permit. The Chamber feels strongly that these two groups should not be included in the ban. Individuals in these two groups are not property speculators looking to turn a profit on buying and selling Canadian homes, rather they are newcomers looking to get set up in Canada and put roots in their new community. Furthermore, as a country that is dependent upon immigration to fill our labour shortage, the government should adopt policies that encourage those coming to Canada to settle and make it their new homeland for them. This is especially true for communities that have historically struggled to attract newcomers.

Immigrating with Accreditation: Covering Transition Costs

As a country with an acute shortage of skilled workers in multiple sectors, Canada needs workers now more than ever. Newcomers from countries all over the world face hurdles in translating their education, qualifications, and experience into the Canadian workforce. Getting recognition from Canadian regulatory bodies can be difficult and costly, without factoring in the expense of having to take some educational courses to meet Canadian standards. The Chamber asks that the federal government cover or reimburse at least a portion of the costs associated with this transition for skilled and regulated workforces. Our country cannot afford qualified doctors, engineers, and other trained professionals not entering their fields because of costly technical hurdles. Providing funding to these newcomers to aid in getting their certifications in Canada will pay dividends with a new, qualified, skilled, and experienced worker that can help fill the current labour market shortage.

The challenges facing businesses in 2023 can be daunting. From lingering supply-chain challenges, to high inflation and interest rates, to a labour market shortage, the Chamber's proposals are aimed at making business easier. All of the issues we have identified in this submission are already challenges the government acknowledges and is trying to address. The Chamber knows that these policies have the potential to help alleviate so many problems and make businesses more successful and more prosperous. After all, when businesses prosper, their employees prosper, and when employees prosper the economy prospers. We thank the federal government for their consideration of our submission and the proposals within.

About the Windsor-Essex Regional Chamber of Commerce

The Windsor-Essex Regional Chamber of Commerce has been the leading voice for business in Windsor and Essex County for almost 150 years. Our mission is to be the key connector and advocate for the long-term business success of our members. The Chamber serves as an anchor for businesses in Windsor-Essex to connect with government of all levels, partners abroad, and with each other. The Chamber hosts regular "After Business" networking events, an annual Golf Tournament, and the Business Excellence Awards to celebrate our community's best in business.