

# Addressing the Challenges of Ontario's Largest Economic Sector: Small Business

Submitted by: Greater Sudbury Chamber of Commerce

## Issue

The cumulative regulatory burden, constant legislative changes, and reporting requirements present a disproportionate impact on small businesses and are an obstacle to prosperity, growth and competitiveness.

## Background:

Businesses throughout the province have repeatedly highlighted the cost of regulatory compliance as a barrier to investment and growth. Business owners have said they find it incredibly difficult to navigate the regulatory framework – especially when that framework is frequently changing due to new and/or updated legislation. When new and/or updated legislation unwittingly introduces hidden costs, the problem is only exacerbated. The Government of Ontario needs to take steps to reduce red tape for small businesses and make it easier for them to understand and comply with regulations.

Recent years have seen significant changes implemented or proposed to WSIB, labour relation, the minimum wage, and pension plans. Businesses saw many changes as a result of Bill 148, the Fair Workplaces, Better Jobs Act, 2017, and the subsequent introduction of Bill 47, the Making Ontario Open for Business Act, 2018, which repealed or rewrote many of Bill 148's changes. Businesses continue to see many changes due to environmental regulations and the federal carbon tax. While regulatory change is not necessarily "bad" – in fact, updating and modernizing regulations should be a priority for all governments – it can have a lasting, negative impact on businesses, if they are implemented haphazardly, or if the government does not make compliance easy. The cost of such changes disproportionately burdens small businesses that often do not have dedicated human resource departments or dedicated personnel to manage the complexities of the requirements.

According to Innovation, Science and Economic Development Canada, Ontario had 439,694 small businesses in December 2021<sup>1</sup>. The Ontario government has shown its commitment to broad, structural red tape reduction. The province created the Ministry of Red Tape Reduction to modernize legislation, regulations and policies that can be burdensome, inefficient and inflexible.

The Ontario government recognizes that reducing unnecessary red tape will save businesses time and money and that such reduction is an integral part of growing Ontario's economy. The province has introduced its Less Red Tape, Stronger Ontario Act (Bill 46), which includes 28 legislative, regulatory and policy measures designed to improve competitiveness, strengthen our local supply chains, and make government services easier to access.<sup>2</sup> We applaud the government's efforts to reduce red tape thus far, however, there is still much work to be done.

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<sup>1</sup> <https://ised-isde.canada.ca/site/sme-research-statistics/en/key-small-business-statistics/key-small-business-statistics-2021>

<sup>2</sup> <https://news.ontario.ca/en/backgrounder/1002504/reducing-red-tape-to-build-a-stronger-ontario>

The Government of Ontario can ease the regulatory burden by establishing a regulatory concierge service for small businesses in Ontario. Such a concierge service would be a single-access point for information, support and expertise on regulatory compliance in Ontario. The concierge service would offer one-on-one support to small businesses so that they can successfully navigate regulatory frameworks and achieve compliance with much greater ease and so they could devote their limited resources to growing their businesses and the economy.

Such a concierge service is nothing new. The federal government has its Business Benefits Finder, which is a single access point to funding, expertise, facilities, and global opportunities for small- and medium-sized enterprises (SMEs) seeking to grow through innovation.<sup>3</sup>

Other jurisdictions have understood the benefit of one-stop support for businesses:

- Greater Sudbury's Regional Business Centre
- Hamilton's One-Stop for Business
- The British Columbia Business Registry
- One Stop Business Registration Portals in Wisconsin and Virginia

While certain single-window initiatives in Ontario exist, such as Service Ontario's ONE-Key, these are 'self-serve' initiatives rather than concierge services, and they do not address the regulatory burden that weighs on Ontario's small businesses.

Creating a team of industry experts to guide business owners through regulations in Ontario will make Ontario attractive for investment and allow existing businesses to spend their resources more efficiently.

## **Recommendations**

The Ontario Chamber of Commerce urges the Government of Ontario to:

1. create a provincial concierge service to provide single-window, one-on-one, customized access for small businesses to guide them through regulatory compliance processes and help them achieve compliance obligations;
2. develop interconnectivity between municipal, provincial, and federal concierge services to enable knowledge-sharing and to ensure that each is able to provide the best guidance and expertise to its clients; and
3. continue to work with the Ontario Chamber of Commerce, Ontario's business community, and with small businesses in order to reduce red tape.

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<sup>3</sup> [https://innovation.ised-isde.canada.ca/s/?language=en\\_CA](https://innovation.ised-isde.canada.ca/s/?language=en_CA)