



Better Jobs Today, and Tomorrow

The Convenience Industry Council of Canada is a new association that brings together retailers, distributors and manufacturers that sell products in our channel. Our mission is to advance the interests of the convenience industry through effective advocacy and education. We are proud to represent an industry that contributes over \$22 billion in taxes, employs over a quarter of a million Canadians and brings convenience to communities from coast to coast. We reflect the communities we serve and offer opportunity to new Canadians.

Q: What barriers do you see to people getting or maintaining a job in your community?

The Temporary Foreign Workers Program (TFWP) provides businesses with a vital supply of labour, which is particularly necessary in the front-end retail industry. We propose the government amend the TFWP to address truck driver shortages, as per recommendation 41 of the FINA report.

As well, the changes to CPP payroll taxes have put strain on small businesses like convenience stores across the country. Changes like these need to be sensitive to the realities of our businesses - particularly in smaller operations with only a few employees. A sliding scale of applicability for these rates (dependent on business size) may be advantageous for small businesses.

Q: What areas require more federal investment?

The Convenience Industry Council of Canada supports the government's recent initiatives to reduce the regulatory burden on industry and provide more support to small businesses. In particular the government should focus on expanding the Treasury Board Regulatory Modernization initiative, and explore a further reduction in the small business tax rate beyond the planned reduction to 9% in 2019 to match tax cuts in the US, as per recommendations 18 & 24 of the FINA report.

As mentioned above, re-evaluating CPP payroll taxes for small businesses would help ease the burden on businesses trying to get by. A plan to address these rising costs (or better, consider lowering for small business) would be welcome federal investment for our industry and the small business community.

Q: What actions can government take? (300 word answer)

There are a number of steps the government should take to support businesses and their employees.

The rushed entry into force of Bill S-5 will drive significant volumes of illicit product into the tobacco market, causing significant harm to industry competitiveness. We request that the government delay the implementation of the regulations to allow retailers to make the necessary compliance investments and upgrades. As well, millions of dollars in tax revenue are lost annually to the sale of illegal, untaxed tobacco products. In order to evaluate the full scope of the contraband problem in Canada and its



impacts on public health, small business, and revenues, the Government of Canada should undertake an annual contraband study and release these findings publicly.

CCIC supports the government's efforts to ensure product packaging provides customers with the necessary information to make informed consumer choices, but the proposed Front-of-Pack labelling regime will cause significant harm to the competitiveness of the Canadian retail sector. FOP labelling will impose an expensive compliance burden on industry with estimates including up to \$2billion in added costs. It will also make Canada a regulatory outlier among all our major trading partners, harming our export competitiveness. We support the recommendation proposed in the Economic Strategy Roundtable on Agri-Food that the government explore alternative pathways to FOP labelling in order to achieve the desired outcomes of the Healthy Eating Strategy.

Lastly, we would encourage the Government to continuously apply the Small Business Lens to any regulation proposed – particularly as it relates to health, agriculture and agri-food regulations. CCIC feels that many health-facing policies are enacted without meaningful input and consideration for small business; genuine efforts should be taken to evaluate ramifications of policy on small businesses.

Standing Up for the Middle Class

Q: What can government do to make sure Canadians benefit from economic growth?

While the Canadian economy continues to grow stronger, barriers to interprovincial trade limit the extent to which Canadian consumers can access high quality, made-in-Canada goods such as alcohol. We propose the Federal government work with their provincial counterparts to reduce internal trade barriers in Canada, and improve access to domestic goods for consumers, in line with recommendation 4 of the FINA report.

As well, the current regulatory process for Caffeinated Energy Drinks (CEDs) and delay in converting these beverages from a temporary regime to permanent regulation is having an impact on business planning and product innovation in the sector and on retailers. Canada is the only G7 country that requires a Temporary Marketing Authorization (TMA) process for energy drinks and is the only G7 country that does not have a permanent and finalized regulatory regime for energy drinks. By finalizing these regulations (before the 2021 deadline, which was originally supposed to be 2016), it would improve predictability and harmonize business practices with other jurisdictions. Companies need this predictability for planning and to support continued investment in the Canadian economy. As such, we recommend that the temporary rules for Caffeinated Energy Drinks (CED) be finalized into permanent regulation as committed to by Health Canada and before 2021.

Q: How can the government help hardworking people join the middle class?

Credit card swipe fees in Canada remain amongst the highest in the world. The impact of these excessive fees constrain the ability of all retailers to invest in their businesses and their ability to hire new employees in the communities they serve. These fees also result in increased consumer prices, even for those consumers paying by cash or debit. We propose the government build on its August 2018



announcement to reduce excessive credit card swipe fees and bring greater fairness and transparency to the payments industry in Canada by ensuring that credit card companies are abiding by the commitments they made as part of the government's announcement.

Q: What can the government do to help rural and remote communities?

Convenience stores are often the only source of fresh fruit and vegetables in rural and remote communities and in economically depressed urban areas (food deserts). We propose the Government develop a rebate program for in-store equipment to enable stores to sell perishable products in under-served communities, and introduce tax deductions on fresh produce donated by convenience stores to food banks (as already exist for Canada's farmers) that would lessen their risk of selling perishable goods.