



ASSOCIATION OF CONSULTING
ENGINEERING COMPANIES | CANADA
ASSOCIATION DES FIRMES
DE GÉNIE-CONSEIL | CANADA

April 6, 2020

The Honourable Bill Morneau
Minister of Finance
90 Elgin Street
Ottawa, Ontario
K1A 0G5

The Honourable Mary Ng
Minister of Small Business, Export Promotion and International Trade
125 Sussex Drive
Ottawa, Ontario
K1A 0G2

Re: Canada Emergency Wage Subsidy

Dear Ministers,

On behalf of the Association of Consulting Engineering Companies - Canada (ACEC), we would like to thank you for the strong, “all of government” approach in responding to the COVID-19 crisis. ACEC-Canada is impressed with the government’s ability to rapidly develop and deploy the *Canada Emergency Wage Subsidy*. This program, fully and properly implemented, will be essential to allow our member firms to retain their capacity and expertise through the current crisis and be able to contribute to the recovery of the Canadian economy.

However, we wish to raise a concern with the eligibility periods, as presently explained on the Government’s website, that will significantly limit access to the program by professional service firms across many sectors. We believe this to be an unintended consequence that can be remedied to ensure the program better reaches a wide range of affected businesses.

Our understanding is the 75% wage subsidy is available to employers that experience a minimum of 30% decrease in revenues. Eligibility is determined by the baseline change in monthly revenues year over year within the three claiming periods - beginning with Period 1 which compares revenues from March 2019 to March 2020.

The practice of many professional, service firms, including consulting engineering companies, is to invoice for billable hours in the preceding month. For example, March 2020 revenues could actually reflect work invoiced in February 2020 for work performed in January 2020. Consequently, the impact of the COVID-19 on revenue in March may not be realized until April or May and possibly June or later (depending on payment terms). Similarly, the impact on revenue during Periods 2 and 3 would likely not be realized until after the expiry of the program. Some firms may therefore only be able to avail themselves of the program for two months or less – if at all. Should this happen, it is likely many firms will have to layoff

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employees or shut down completely – potentially leading to delays in major infrastructure projects across Canada.

Therefore, we are requesting that the Government introduce some flexibility around eligibility periods under such circumstances. One possible, straight forward solution would be to extend the eligibility period to 12 weeks from the first application by a firm. Alternatively, the government could allow professional service firms to demonstrate lost revenue based upon accounts receivable or some other mechanism.

Thank you for consideration of our concerns. By virtue of trying to create an expansive assistance program that applies to all businesses in a very short period of time, there will inevitably be challenges for specific businesses in specific circumstances. We are confident that while the government will launch the program as quickly as possible, it will continue to adapt and refine it to make it as applicable to as many business sectors as possible. Our hope is to ensure that the critical infrastructure that Canadians depend on everyday can continue to move forward with the support of the consulting engineering sector. In that regard, our goals are well aligned with the goals of your government.

ACEC-Canada represents over 400 consulting engineering firms across Canada, ranging from large global corporations to employee-owned SMEs, that offer engineering, scientific and other professional services and that are on the front lines of delivering critical infrastructure. By allowing professional service firms to fully participate in the *Canada Emergency Wage Subsidy*, ACEC-Canada member firms, as well as firms in other sectors, will be able to retain essential expertise and capacity that Canada will need as we navigate the current crisis and assist with the recovery.

Thank you again for your “all of government” approach to the COVID-19 crisis in protecting the health and safety of Canadians while ensuring the viability of our economy.

Best regards,

A handwritten signature in black ink, appearing to read 'J. Gamble', with a long horizontal flourish extending to the right.

John D. Gamble, P.Eng.
President and CEO