



ASSOCIATION OF CONSULTING
ENGINEERING COMPANIES | CANADA

ASSOCIATION DES FIRMES
DE GÉNIE-CONSEIL | CANADA

Written Submission for the Canada Emergency Wage Subsidy (CEWS) Consultation

Association of Consulting Engineering Companies | Canada
John Gamble, President and CEO

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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 (CEWS). 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.

We are therefore pleased to provide feedback on some of your questions as follows:

Are there specific challenges associated with the CEWS program? For example, are there challenges with respect to its accessibility, its incentive impacts, or any other aspect?

- Depending on the nature of the business, it may become unviable before the qualification threshold of 30% reduction in revenue is met.
- The practice of many professional service firms is to invoice for billable hours in the preceding month. For example, March 2020 invoices would actually reflect work performed in February 2020. Consequently, the impact of COVID-19 on revenue in March may not be realized until April (or possibly even May depending on payment terms). Similarly, the impact on revenue may 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.
- While some regional operations within a firm may experience revenue decreases that exceed 30%, nationally that same firm may experience revenue decreases of less than 30% rendering it ineligible for CEWS. Consequently, regional operations may have to cease, intensifying the economic impact of the pandemic on local economies and small or remote communities. This would create more pressure for corporate consolidation at the expense of these communities.

What adjustments to the CEWS would you propose to provide the right level of support to those most affected by the pandemic while supporting the economic recovery?

- We suggest a sliding scale of up to a maximum wage subsidy of 75% when revenues have declined by 30% over the previous year. For example, a firm that has experienced a revenue loss of 20% may be eligible for a 50% wage subsidy.
- Allowing firms to calculate their losses by accrual as an alternative to cash accounting is helpful, however, it would be simpler if the CEWS eligibility period was a set time from the first application. This would allow firms that do not recognize a loss of revenue until several months after the work would have been performed, to take advantage of CEWS without changing their accounting processes. This would be especially applicable to professional services and contracting – especially firms that are subconsultants or subcontractors, or firms further down the supply chain of construction and manufacturing.
- We recommend allowing firms to apply and be eligible for CEWS on a regional basis so that they can retain employees and continue operating in local economies and small or remote communities.

Would adding complexity to the CEWS program be acceptable in order to expand access to this support, or better target support to those who need it?

- This question is appreciated. While complexity should be minimized to the extent practical, clarity and clear instruction are more important. With more clarity, firms would tolerate complexity that allows CEWS to be more agile and more applicable to diverse and unique circumstances.

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 the government will continue to adapt and refine the program to make it as applicable to as many business sectors as possible.

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.

For more information, please contact:

John Gamble, CET, P.Eng.
President and Chief Executive Officer
Association of Consulting Engineering Companies | Canada
www.acec.ca
jgamble@acec.ca