

FAIR HYDRO PLAN NOT FAIR TO SMALL BUSINESS

TORONTO, ON, March 7th, 2017– The announcement last week by the Wynne Government that rate relief for high energy costs is being provided to residential customers to an average of 25% will be cold comfort to independent small business grocers across Ontario. Independent grocers account for 59.7% of all grocery stores in Ontario. They generate sales of \$3.5 billion in Ontario alone, provide labour income of close to \$540 million and are providing thousands of jobs across the province. All of this within the context of the lower margins of 1% to 1.5% that exist in the grocery sector as compared to other retail and merchant sectors.

While the Minister of Energy has been touting the 8% rebate provide to small business, most of the small business grocers in Ontario, in fact are not receiving that rebate. The Minister cannot continue to make that assertion. While Ontario's independent grocers meet the definition of small business, and operate with margins lower than most other business sectors, the nature of the grocery and food business necessitates higher energy consumption than many other small businesses, who will receive the 8% rebate.

According to Gary Sands, Chair of the Small Business Matters Coalition, "The Ontario government should be lauded for doing what it can to reduce electricity rates for small business. These costs carry a disproportionately heavier burden for the small business operator and the 8% rebate recognized that reality." But, Sands added, "to exclude such a large part of the small business community is unfair and will continue to erode the ability of the independent small business grocer in Ontario to compete with larger chains." Sands also added that excluding small business grocers means that the province has ended up picking winners and losers in the small business sector.

The Coalition is calling on the government to remedy this situation and take whatever steps are necessary to ensure there is a balanced and equitable approach to small business by providing the 8% rebate to Ontario's independent grocers.

The [Small Business Matters Coalition](#) was formed in 2014 to represent the interests of Canada's small businesses. The coalition is comprised of trade associations that represent in excess of 100,000 small business sites operating in Canada.



For more information on these matters, the following SBM members are available for comment:

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