

Action Plan for Small Business

Making British Columbia the most Small
Business Friendly Jurisdiction in Canada



What is a small business?

A small business has fewer than 50 employees, or is operated by a person who is self employed.

Small Business Highlights

- 98 per cent of all British Columbia businesses are small businesses (370,700 out of 378,700 total); 83 per cent of those are micro businesses (under five employees)
- 1,025,600 jobs in British Columbia come from small business – 47 per cent of the total employment in the province.
- Small business is responsible for 57 per cent of all private sector jobs.
- Small business contributes 27 per cent to provincial GDP.
- The total number of small businesses operating in the province increased for the fifth consecutive year in 2006, climbing 1.8 per cent from 2005.
- Over the past five years, British Columbia has led the country in growth in the number of small businesses

Source: Small Business Profile 2007
BC Stats

The Government of British Columbia's goal is to lead the nation in per capita job creation and be the most small business friendly jurisdiction in Canada.

Small business is vital to the province's economic success - driving job creation, productivity and economic growth. The positive impact of small business on the economy enhances British Columbia's competitiveness as a place to live, invest and do business – helping to make British Columbia “the Best Place on Earth”.

The Ministry of Small Business and Revenue works within government and partners with the private sector to advance initiatives that support small business start up and growth.

[The Small Business Roundtable Report to Government](#), in October 2006, summarized the results of the Roundtable consultations with the small business community in all regions of British Columbia. Based on these results, the Roundtable made recommendations to government regarding actions to enhance the small business environment in British Columbia and further the growth and success of small business. These recommendations include:

- support human resource access, development and education
- reduce the regulatory burden imposed on small business by all levels of government, and
- reduce tax complexity for small business.

[The Action Plan for Small Business](#) responds to these recommendations from the Small Business Roundtable, and sets out a comprehensive strategy to support small business growth and development in British Columbia.

The Way Forward

The importance of small business to the British Columbia economy is clear. This government is taking action to make our small business sector the strongest in Canada.

Action to Date

- **Tax savings** - The government has introduced 68 tax-related measures returning over \$2.3 billion in tax savings to businesses and consumers since 2001.
- **Small business income tax relief** - The threshold for small business income tax has been raised to \$400,000 from \$200,000, increasing the business income that qualifies for the lower 4.5 per cent small business tax rate.
- **Fewer regulations** - The government has reduced regulatory requirements by 42.55 per cent in five years, simplifying processes for small business while also ensuring that public health, safety and the environment are protected.
- **Small Business Roundtable** – Created in 2005, this group serves as a vital communications conduit between small business and government.
- **Province-wide survey and consultations** – The Roundtable undertook a province-wide survey and held consultations with small businesses in 18 communities during 2005 and 2006 to identify the key issues and opportunities facing small business.
- **Small business recommendations** – The Roundtable presented a report to government in October 2006 summarizing the key issues facing small business and identifying recommendations to enhance the small business environment in British Columbia.
- **Small Business Venture Capital Fund** – The Small Business Venture Capital Fund was streamlined, resulting in a five-fold increase in investment.

Priorities for Action

The Action Plan for Small Business continues the work of government in responding to the Small Business Roundtable recommendations. It focuses on five key priorities for action.

1. *Supporting and Growing Small Business*

Small Business Roundtable – Support an ongoing dialogue between small business and government, communicate important programs to small business and act as key supporters of small business in the province.

Actions:

- **Regional Consultations and Small Business Forums** - Consult with small business owners for new ideas and solutions, and host small business forums.

Proposed topics:

- ✓ strategies to address human resource challenges
 - ✓ information on the government procurement system
 - ✓ information for small business on the provincial sales tax and federal goods and services tax
 - ✓ Asia Pacific market opportunities
 - ✓ information for business on the British Columbia - Alberta Trade, Investment and Labour Mobility Agreement (TILMA)
 - ✓ climate action
- **Small Business Tools** – Promote the Small Business Lens, single inter-municipal business licence, and electronic business permit and licence identifier (BizPal) with municipalities across the province.
 - **Small Business and Climate Action Plan** - Consult with small business owners on the leadership they can provide as part of the government's overall Climate Action Plan.

Small Business Growth and Innovation - Support growth and innovation in the small business community where owners have limited time to explore innovations to grow their business or to take advantage of new marketing opportunities.

Actions:

- **Small Business Exports** - Implement initiatives to accelerate the potential of small business exports to the Asia Pacific including “Think Asia” seminars, and “Asia Pacific Opportunities” theme in Small Business Month. Promote tools developed by the Asia Pacific Foundation to increase small business awareness of the diverse aspects of the Asia Pacific marketplace.
- **Government Procurement** - Facilitate small business competitive access to government procurement, ensuring BC Bid is accessible to small businesses in all regions of British Columbia.
 - ✓ Standardize government contract documents and solicitation to save small business time and effort in responding to bid proposals.
 - ✓ Develop and distribute plain language materials and information on

Ongoing dialogue takes place between small business and government

Information and tools are developed to access Asian markets

Small business competes in government procurement

Priorities for Action

ways that small businesses can collaborate to bid on government procurement opportunities.

- ✓ Inform small businesses about government procurement opportunities, including regional information sessions on “how to do business with government” and continued delivery of “2010 procurement workshops”
- ✓ Work with ministries on awareness and compliance with government policy to pay invoices within 30 days of invoice receipt.

2. *Breakdown Barriers to Doing Business*

Create a regulatory environment that continually strives to streamline and simplify how business is done in British Columbia.

Actions:

- **Single Business Licence** - Implement a pilot of a single business licence for mobile businesses by January 2008 allowing businesses to operate in any participating municipality by purchasing a single licence.
- **Small Business Lens** - Apply the Small Business Lens to identify the potential impact of proposed laws and regulations on small businesses and decrease the burden new rules may have on small business.
- **BizPaL Expansion** - Lead the roll out of BizPaL, a web-based tool providing single point access for permit and licence information, to all British Columbia municipalities over the next five years.
- **Regulatory Reform** - Continue to reduce the regulatory burden for business.
 - ✓ Maintain the goal of zero net increase in regulatory requirements as established under the Regulatory Reform Initiative.
 - ✓ Focus on Citizen-Centred Regulatory Reform, with initiatives that save time and reduce cost to business to meet regulatory requirements, and allow individuals to access services.
- **Small Business Service Standards** - Establish service standards to provide small businesses with prompt, effective responses to requests for government services.

Reduced complexity of doing business in the province

Reduced impact of new legislation, regulations and policies on small business

Reduced time for small business to obtain licence and permit requirements for all levels of government

Reduced time, effort and cost to comply with government regulations to access government services

Priorities for Action

Small Business finds and keeps employees

Young people pursue careers in small business

3. *Building Workforce Capacity*

Support small businesses in finding workforce solutions to labour and skills shortages.

Actions:

- **Employer's Toolkit** - Develop a toolkit to address specific labour and skills challenges faced by small business. Include strategies to promote employment in the small business sector and recruitment of under-represented groups.
- **Future Entrepreneurs** - Expand school options available to include small business and entrepreneurship.
- **Building Skills for Small Business** - Support a new public/private initiative to build small business human resources through relevant and accessible training.

4. *Leveraging Public and Private Partnerships*

Position Small Business BC as the key resource for small business in the province providing services that support small business operators throughout British Columbia.

Actions:

- **Small Business BC Service Integration** - Provide Small Business BC information at the 59 Service BC locations, and nine FrontCounter BC locations in the province. Ensure staff are knowledgeable about Service BC, FrontCounter BC and Small Business BC at any of the locations.
- **Regional Access to Small Business BC** - Expand regional delivery of Small Business BC programs and services by partnering with local organizations to offer these products within their communities.
- **Small Business Training Programs** - Establish partnerships between Small Business BC and small business organizations to develop and implement training programs in all regions through video conferencing and use of partnership facilities.

Small Business BC is accessible throughout the province

Small Business BC is an information hub for starting and growing a small business

Small business has access to training programs

Priorities for Action

5. *Support a Competitive Tax Structure*

Support a tax regime that maintains the competitiveness of British Columbia as a place to live, invest, and create jobs.

Actions:

- **PST Review Phase I** - Communicate the outcomes of the PST Review to the small business sector in conjunction with small business organizations.
- **PST Review Phase II** - Consult with small business to explore potential changes to streamline and simplify the PST issues raised during PST Review Phase I, and develop recommendations for consideration by the Minister of Finance in budget 2008.

Small business benefits from new, streamlined PST processes

The Action Plan for Small Business will evolve over time as new issues and opportunities are identified by the small business community, and based on future recommendations from the Roundtable.

Conclusion

Small Business is big business in British Columbia. British Columbia has a competitive business climate, with a balanced regulatory reform environment and competitive taxation.

The Action Plan for Small Business builds upon this foundation with actions that support the continued growth of the small business sector and its continued contribution to making British Columbia “the most small business friendly jurisdiction in Canada”.

Small business is big business in British Columbia

Action Plan for Small Business



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