



GREATER CHARLOTTETOWN AREA CHAMBER OF COMMERCE

November 13, 2008

Mr. Donald G. MacCormac
Attn: Hazel Walsh
Employment Standards Board
P.O. Box 2000
Charlottetown, PE C1A 7N8

RE: Chamber Submission Regarding Changes to the PEI Minimum Wage

Dear Mr. MacCormac:

Thank you for the opportunity for the Chamber to provide a response to the annual minimum wage review.

In keeping with our January 2008 submission on the matter (attached), our position remains much in-line with the many of the details outlined in that document. To briefly summarize:

- 1) Changes to the province's minimum wage must be considered in line with any changes being proposed to the Employment Standards Act. These items cannot be adjusted out of concert due to financial stresses that will be placed on small businesses in particular. Current economic issues are already having a significant impact on many of our businesses in this Province.
- 2) Minimum wage increases continue to outpace CPI for PEI by a significant margin. We would support an approach similar to that adopted in Nova Scotia where the minimum wage will be adjusted based on the consumer price index (CPI), in that province after March 31, 2011.
- 3) To tie minimum wage increases to provinces like Alberta or Newfoundland is out-of-sync with the realities of living on PEI. Unless new natural resources are discovered in this province, we cannot afford such acceleration in wages until economic growth keeps pace. Newfoundland also recently awarded 20% wage increases to public servants over the next three (3) years, but it is unlikely that PEI can afford the same. Our economy continues to be highly seasonal and certainly has uniqueness that does not exist in our sister jurisdictions.
- 4) Minimum-wage work is perhaps most prevalent in the tourism and service industry sector. At a time when tourism numbers are down, significant increases to the minimum wage will further exacerbate problems for employers in an already troubled industry. Increases to the minimum wage need to be measured and responsible.

- 5) The commission may want to consider the implementation of a “training wage”, similar to that already in place in Nova Scotia. Alternatively, several provinces like Quebec and Ontario have a lower minimum wage for “tipped employees” to offset the greater earning potential for those that earn gratuities.

While we acknowledge that some movement in the minimum wage is necessary each year, we would ask the commission to weigh carefully all factors in determining the 2009 minimum wage. Training our workforce is perhaps the best investment that the province can make to enhance the lives of Islanders. Continuing to move the minimum wage at artificial levels (those significantly above CPI) only serves to entrench sub-par and arguably detrimental employment practices in our province.

Respectfully submitted,

Douglas Coles
President