

COALITION OF BC BUSINESSES

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April 7, 2008

Hon. Monte Solberg
Minister of Human Resources and Social Development
House of Commons
Ottawa, ON K1A 0A6

RE: Labour Market Opinion and Expedited Labour Market Opinion Pilot Project

Dear Minister Solberg:

On behalf of the Coalition of BC Businesses, I would like to bring to the attention of the Ministry of Human Resources and Social Development Canada/Service Canada our observations and concerns regarding the calculation of prevailing wage rates under the Labour Market Opinion (LMO) and the Expedited Labour Market Opinion (ELMO).

BC's employer community is pleased with the recent reforms that have resulted in a quicker application time for Labour Market Opinions.

Furthermore, the expansion of eligible occupations under the ELMO will go a long way in assisting BC employers to fill vacant job positions with foreign workers and help to close BC's labour supply gap.

The Coalition of BC Businesses, however, is concerned that the prevailing wage rates calculated for temporary foreign workers are, in many cases, unfairly higher than the average wages of BC employees for the same occupations.

BC employers have, on several occasions, expressed to Ministry officials that Service Canada's methodology of calculating foreign worker wage rates across various industries is inaccurate, not transparent and sourced from unreliable wage rate data. Our concerns, communicated to your office through our member associations, have not yet been acted upon.

The food services and construction industries in BC have both noted above average compensation levels set by Service Canada for foreign workers. For example, a compensation survey conducted by the Canadian Restaurant and Food Services Association (CRFA) found that the average wage for cooks in the Lower Mainland was \$10.71.

Service Canada Labour Market Information sets the average wage for cooks at \$11.90 for the Lower Mainland, or 11% higher than the CRFA survey. The CRFA has produced other examples of wage discrepancies that illuminate the above average weighting of foreign worker wages by Service Canada.

Member Associations

BC Hotel Assn
BC Chamber of Commerce
BC Real Estate Assn
BC Restaurant & Foodservices Assn
BC Trucking Assn
Building Owners & Managers Assn
Building Supply Dealers Assn
Canadian Home Builders Assn – BC
Canadian Restaurant & Foodservices Assn
Council of Tourism Associations of BC
go2 Tourism HR Assn
Independent Contractors & Businesses Assn
Insurance Brokers Assn of BC
New Car Dealers Assn of BC
Retail BC
Retail Council of Canada
Vancouver Board of Trade
Western Silvicultural Contractors Assn

The Independent Contractors and Business Association (ICBA) has also expressed misgivings about the accuracy of wages for temporary foreign rebar workers set by Service Canada, noting that prevailing wage rates were sourced only from the Ironworker's Union collective agreement rate. The ICBA noted that the Ironworker's Union represents only 16.3% of the rebar payroll in BC and that the ICBA was not consulted for wage rate data.

The Coalition supports the reforms of the LMO to speed up applications and expand the list of eligible occupations. To further enhance the accuracy and transparency of the prevailing wage rates, the Coalition encourages Service Canada to:


1. Incorporate prevailing wage rate data from the employer community through industry association compensation surveys and data, and
2. Enhance transparency by publicizing the methodology in determining prevailing wage rates for both British Columbia and Alberta.

Service Canada's policy should aim for parity between foreign and Canadian wage rates. Under the current LMO and ELMO wage structure, this is not the case, putting Canadian employers in the untenable situation of paying their Canadian workers less than their foreign employees. This structure is both impractical and unfair to employees and employers. The methodology of the LMO and ELMO wage rates must be reviewed to ensure a fair and transparent wage rate prevails for both Canadian and foreign workers.

We request an opportunity to meet with your Ministry staff here in Vancouver to offer our assistance in helping to shape a workable, accurate and transparent methodology for calculating prevailing wage rates.

Please contact me if you have any questions. (Tel: 604-638-8110). We will follow up in the coming weeks to arrange a convenient time to meet with your Vancouver office. Thank you in advance.

Sincerely,



John Winter
Chair, Coalition of BC Businesses

CC: Hon. David Emerson, Federal Minister of International Trade
Hon. Diane Finley, Federal Minister of Citizenship and Immigration
Hon. Rick Thorpe, BC Minister of Small Business and Revenue
Hon. Colin Hansen, BC Minister of Economic Development

The Coalition of BC Businesses was formed in 1992 to represent the voice of small and medium-sized businesses in the development of British Columbia's labour and employment policies. It is made up of organizations that collectively represent over 50,000 small and medium-sized businesses active in all sectors of BC's diverse economy in communities throughout the province. The Coalition supports labour policies that will help foster a positive working relationship between employers and employees and a climate for economic growth and jobs.