

COALITION OF BC BUSINESSES

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April 11, 2008

Hon. Gordon Campbell
Premier of British Columbia
PO Box 9041
STN PROV GOVT
Victoria, BC V8W 9E1

RE: BC's minimum wage rate

Dear Premier Campbell:

On behalf of the Coalition of BC Businesses, I would like to bring to your attention our observations and concerns regarding the status of BC's minimum wage rate.

Our member associations are of the view that BC's minimum wage rate is fair at \$8.00 per hour. Recent calls to raise the rate are misinformed and run counter to the better economic interests of the province. Job opportunities in BC are best protected by not raising the minimum wage.

The positive benefits of a minimum wage hike are overstated. An increase to the minimum wage would boost salaries for only a small minority of BC workers who largely do not depend on the minimum wage to support their families. In 2006, only 4.6 per cent of employed workers in BC earned the minimum wage or training wage.

A minimum wage hike would negatively impact consumers and employees. An increase to the minimum wage would have an inflationary impact on an employer's payroll, putting pressure on employers to increase salaries for all employees. As payroll costs increase, so would the cost of goods and services consumers would be forced to pay.

Alternatively, an employer could choose to restrain escalating costs by cutting back on employee hours. In this way, employees would suffer from fewer work hours and fewer job opportunities.

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

Around the province, employee wages are rising on account of BC's booming economy and the labour and skills shortage. BC's market economy has succeeded in raising wages without the benefit of government intervention.

The Coalition of BC Businesses firmly believes in fair wages for employed workers across the province. The Coalition urges the provincial government to not increase BC's minimum wage rate in a way that unfairly burdens the provincial economy, local communities, job opportunities and BC small businesses.

Presuming the intent behind a minimum wage hike is to support low-income earners, the BC government has at its disposal alternative policy measures that would achieve a similar outcome. Options include raising the basic personal exemption and expanding rental assistance, among other policy changes that would put more money back into people's pockets.

In the coming weeks, we will request an opportunity to meet with the Hon. Olga Ilich, Minister of Labour and Citizens' Services, to further communicate our observations and recommendations regarding the minimum wage rate.

Please contact me if you have any questions. (Tel: 604-638-8110).

Sincerely,

A handwritten signature in black ink, appearing to read 'John Winter', with a horizontal line underneath.

John Winter
Chair, Coalition of BC Businesses

CC: Hon. Olga Ilich, Minister of Labour and Citizens' Services
Hon. Carole Taylor, Minister of Finance
Hon. Rick Thorpe, Minister of Small Business and Revenue
Hon. Colin Hansen, 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.