

March 1, 2023

VIA EMAIL

Hon. David Eby
Premier, Province of British Columbia
PO Box 9041 Stn Prov Govt
Victoria BC
V8W9E1

Dear Premier Eby,

Since the pandemic, BC businesses have been forced to absorb significant inflationary cost pressures including provincially mandated policies such as the employer health tax, five paid sick days, a new statutory holiday, WorkSafe BC premium increases, and significant minimum wage increases.

According to Statistics Canada and the Government of Canada's minimum wage database British Columbia's minimum wage increased 49.8% from September 2015 to January 2023 which is more than double the 22.4% increase in BC CPI during the same time period. Following years of minimum wage increases well above the Consumer Price Index (CPI), the business community proposed an objective formula for raising the minimum wage with flexibility to avoid 'wage spikes' during difficult economic circumstances. Business operators are currently dealing with a 40-year high in the CPI which has significantly increased input costs which can't easily be passed on to value-conscious customers. Many businesses also accumulated significant pandemic-related debt which they are having difficulty paying off.

The undersigned associations are hearing persistent concerns from a wide variety of firms, especially consumer-facing businesses, that they cannot absorb another significant increase -- likely in the range of 6-7% -- in BC's minimum wage rate for 2023 on top of all the other government mandated costs and other inflationary input cost increases. Another significant minimum wage increase will force businesses to raise the wages of all employees to maintain relative wages and to deal with wage compression where new inexperienced employees are paid the same as more experienced employees. This 'ratcheting effect' leaves employees no further ahead on a relative basis and, in fact, may result in fewer opportunities for workers, may trigger business closures, or lead to more mechanized work where this is a viable option.

We strongly recommend that the province cap this year's minimum wage increase at 3% recognizing the labour cost increases that businesses are already struggling to absorb. The BC government should also consider implementing minimum wage adjustment support programs that offer small business rebates to help minimize additional cost pressures of minimum wage increases similar to what both Newfoundland and Manitoba have implemented.

Premier, we would appreciate your support to ensure that BC businesses already coping with significant labour cost pressures are able to survive and thrive in a very difficult operating environment. We urge your government to reduce inflationary labour cost pressures by capping the 2023 minimum wage increase at 3% and by implementing minimum wage adjustment programs to help business operators and employees across British Columbia.

We would be pleased to discuss our recommendations with you and your Cabinet colleagues at your earliest convenience prior to any final decision being made on increasing the BC minimum wage in 2023.

Sincerely,



Fiona Famulak
President & CEO



Mark von Schellwitz
Vice President,
Western Canada



Walt Judas
CEO



Annie Dormuth
Director of Provincial
Affairs, BC and Alberta



Jeff Guignard
Executive Director



Ingrid Jarrett
President & CEO



Chris Gardner
President



Ian Tostenson
President/CEO



Anita Huberman
President & CEO



Andrew Wynn-Williams
Divisional Vice-President



Neil Moody
CEO



British
Columbia
Construction
Association

Chris Atchison
President

- cc.
- Minister of Labour, Hon. Harry Bains
 - Minister of Jobs, Economic Development and Innovation, Hon. Brenda Bailey
 - Minister of Finance, Hon. Katrine Conroy
 - Chief of Staff, Office of the Premier, Matt Smith
 - Deputy Minister to the Premier, Cabinet Secretary, & Head of the Public Service, Shannon Salter
 - Deputy Minister of Labour, Trevor Hughes
 - Deputy Minister of Jobs, Economic Development and Innovation, Fazil Mihlar
 - Deputy Minister of Finance, Heather Wood