

March 8, 2023

Prince Edward Island 2023 Provincial Election Questionnaire: Background

Retail Council of Canada:

Retail Council of Canada (RCC) is a not-for-profit, industry-funded association representing retailers of all sizes and formats, including department, grocery, pharmacy, specialty, discount, and independent stores as well as quick service restaurants and online merchants. We speak for an industry that touches the daily lives of Islanders in every corner of the province.

Prince Edward Island (PEI) Retail Facts:

- Retail is the largest private sector employer in Prince Edward Island, representing almost 9,900 employees, and \$300 million in total annual compensation paid to retail employees.
- PEI retail employee's average total hourly compensation is \$25.00 per hour.
- PEI retail employee's average hourly earnings is \$20.20 per hour.
- With hundreds of retail locations across the province, retail trade accounts for more than \$3.2 billion per year in PEI (more than \$2 billion in core retail). The quick service restaurant sector contributed over \$210 million to the PEI economy and was also one of the province's top employers.

Retail Realities:

- The retail sector provides a broad range of employment opportunities, from first-time skill development jobs to highly professional positions.
- Retail is a highly competitive sector, with traditionally low profit margins. Controlling costs is a high priority for retailers, as small cost increases can have a significant impact on a retailer's bottom line and business viability.

Retail's success in PEI is driven by increased investment, strong consumer demand, as well as sensible and focused policy and regulation by the provincial government.

Prince Edward Island 2023 Provincial Election Questionnaire

Retail Council Survey

- On behalf of Retail Council of Canada members, we are asking all major political parties about their views on issues that are important to retail and quick service restaurant businesses, employees and our customers.
- We publish the answers on our VoteRetail.ca website, and encourage all retailers, quick service restaurants, employees and customers to visit the site to understand the parties' positions on issues impacting our industries.

SURVEY QUESTIONS

We thank you for taking the time to answer the following questions:

1. PEI needs to do more to create predictability and fairness in its minimum wage decisions. RCC continues its call for PEI to follow the lead of every other Atlantic Province and mandate that minimum wage adjustments be based on an objective minimum wage formula that is tied to the Consumer Price Index (CPI) for the previous year. This approach provides businesses with predictability and allows them to plan for the cost increases throughout their salary scale that result from minimum wage increases.

The unpredictable nature of the government's approach creates pressure on RCC member businesses as the annual increases to the province's minimum wage outstrip inflation and revenue growth in many retail stores.

- a. Will your party commit to legislating that all future adjustments to minimum wage be based on an objective minimum wage formula that is tied to the change in the CPI for the previous year?

Yes No

Comments We agree with the need for greater predictability regarding minimum wage increases. The Green Party platform calls for minimum wage increases of at least \$1 per year. By spelling out our approach for 4 years, we hope to give businesses advanced notice of what to expect with future minimum wage increases, with the end goal to achieve a living wage for all working Islanders.

2. Although many RCC members have generous paid sick leave programs, the reality is that not all businesses are financially able to offer sick leave at the levels that have recently been

proposed in PEI. Most provinces offer unpaid sick leave as these governments understand the ever-increasing cost pressures on businesses.

- a. Will your party commit to maintaining the status quo regarding paid sick leave in the province?

Yes No

Comments No. The Green Party supports 10 days of paid sick leave for workers. Evidence suggests that paid sick leave reduces business disruption, protects against productivity losses, and reduces the likelihood of worker injury and mortality – all of which are shared interests of workers and employers. Our platform includes a commitment to establish a paid sick leave fund for smaller businesses to support them in the transition to 10 paid sick days.

- b. If you answered *No* to the last question: If your political party believes there is a social imperative for a significant and expensive initiative like increasing the number of paid sick days, will your party commit to offering such support through a government-funded program?

Yes No

Comments Yes, our platform includes a commitment to establish a paid sick leave fund for smaller businesses to support them in the transition to 10 paid sick days. The design of this fund would be determined in consultation with industry stakeholders.

3. Retailers continue to demonstrate their ability to properly manage the business and social aspects involved in selling heavily regulated products in a responsible and successful manner. In 2019, the PC Party made a campaign promise to allow the sale of beer and wine in PEI retail stores. Once in government though, the PC Party has backtracked on its promise by only taking steps to expand the existing Agency Store model. This action does not fulfill the Party's campaign promise.

PEI retailers could help the government achieve levels of success in the sale of beer, wine and ready to drink products (RTD), similar to those seen in New Brunswick. There are craft brewers and vintners across PEI who could benefit from the opportunity to sell their product in retail stores.

- a. Will your party commit to implementing a responsible, step-by-step approach that leads to provincewide sales of beer, wine and RTD in retail stores.

Yes No

Comments: Prince Edward Island has noted challenges with impaired driving, and substance use places a major pressure on our healthcare system. Advocates have suggested that wider availability of alcohol contributes to increased alcohol use and increased alcohol-related problems. A Green government would work to advance consumer interests in a way that upholds our social responsibility mandate.

4. Tax revenue emanating from the province's hard working business sector continues to exceed budget projections. As PEI moved out from under the COVID-19 pandemic, the province's healthy economy has masked the fact that the government continues to spend beyond its operating budget.

In 2021, the government assisted the small business sector by cutting the small business tax rate to the lowest level in Atlantic Canada. Yet, while the government continues to benefit from the province's economic growth, all other for-profit businesses continue to pay the highest corporate tax rate in the country. In addition to charging high corporate taxes, PEI charges Island consumers a 15% Harmonized Sales Tax. Charging the HST at the same level as the rest of Atlantic Canada provides some administrative efficiencies for businesses but does not provide an incentive for Islanders to shop at home.

- a. Will your party commit to lowering corporate taxes to a regionally competitive 14%?

Yes No

Comments Our platform does not contain a commitment to lowering corporate taxes.

- b. Will your party commit to lowering the HST by 1% per year until it reaches 13%?

Yes No

Comments No. The Sales Tax is the second largest source of government tax revenue. At a time when Islanders expect and need large investments in healthcare, housing, and social programs, we do not believe it is prudent to significantly reduce government revenues used to fund these essential services.

c. As one of only two Canadian provinces that does not index its personal income tax brackets, will your party commit to eliminating bracket creep and allow Islanders to be rewarded for their success?

Yes No

Comments Our platform includes a commitment to index personal income tax brackets to inflation.

5. Given the small size of each Atlantic Province, it is imperative for each provincial government within the Atlantic Region to work together and harmonize initiatives with proven best practices from across Atlantic Canada. Harmonization reduces red tape and makes it easier for businesses to grow within the Atlantic region.

a. Will your party commit to an emphasis on streamlining red tape reduction and regulatory harmonization efforts throughout all government Departments and between Atlantic governments?

Yes No

Comments We are supportive of regulatory harmonization efforts that make it easier to do business while also protecting the public interest.

b. Will your party commit to a government practice of analyzing all proposed legislation / regulations through a lens of Atlantic regulatory harmonization and red tape reduction, before the legislative / regulatory initiatives are approved by Executive Council?

Yes No

Comments Yes, we support applying this lens to legislative and regulatory initiatives where relevant.

6. The retail sector is one of the largest industries in Prince Edward Island, employing over 12% of Prince Edward Island employees and contributing over \$2 billion in core retail sales each year. But unlike other key sectors, the Prince Edward Island government has not developed a sector strategy to ensure that government policies are aligned to support the industry and enhance its competitiveness.

- a. If elected, would your party work with the Retail Council of Canada to develop and implement a retail sector strategy? This strategy would be similar to the strategies that have previously been developed for other economic sectors and would ensure Prince Edward Island’s retail industry continues to prosper?

Yes No

Comments The Green Party platform includes a commitment to work with Island industry associations to implement their industry growth strategies. We would partner with the Retail Council of Canada to support a retail sector strategy for the province that is in the best interests of Islanders.

RETURN SURVEY TO:

We would ask that you please return this survey as soon as possible to:

Jim Cormier
Atlantic Director
Retail Council of Canada
Email: jcormier@retailcouncil.org
Further Inquiries:
Mobile: (902) 818-7738