

## Prince Edward Island 2019 Provincial Election Questionnaire

### 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, specialty, discount, and independent stores as well as 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 9,200 employees, and more than \$265 million in annual payroll.
- PEI retail employees' total compensation is \$18.72 per hour on average.
- With 833 retail locations across the province, retail trade accounts for more than \$2.3 billion per year in PEI, and over \$30 million in capital investment in 2018 alone.

### Retail Realities:

- The retail sector provides a broad range of employment opportunities, including 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 2019 Provincial Election Questionnaire

### Retail Council Survey

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

### SURVEY QUESTIONS

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

1. RCC applauds the current government's successful efforts to finally balance the budget in 2017-18 while providing modest tax relief to small businesses. Nevertheless, PEI retailers are still faced with a multitude of increasing costs and are looking for the next provincial government to find ways to further reduce these costs for retailers. For instance, PEI's provincial portion of the Harmonized Sales Tax (HST), along with its corporate and small business taxes remain the highest in Canada at 10%, 16% and 3.5% respectively.

- a. Now that the provincial budget is balanced, will your party commit to lowering corporate taxes to a regionally competitive 14%, and to lowering the small business tax to the regionally competitive rate of 3%?

Yes  No

Comments \_\_\_\_\_

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

Yes  No

Comments \_\_\_\_\_

- 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 \_\_\_\_\_

2. Since 2015, the government has made five increases to the province's basic personal amount of income that needs to be earned before an individual pays income tax. For years, this tax threshold was far too low and resulted in too many low-income Islanders having to pay tax. RCC has spent years arguing that increases to the basic personal amount can create a more positive impact for low income Islanders than the unpredictable minimum wage increases put forth by the provincial government. Yet, despite the five increases, the threshold is still only at \$9,160, which is the second lowest threshold in Canada.

- a. Will your party commit to taking additional steps to increase the personal tax exemption threshold to a level that is competitive with the rest of the country? As most provinces have exemption levels over \$10,000, continued increases in PEI's exemption level will provide Islanders with more dispensable income.

Yes  No

Comments \_\_\_\_\_

3. The Joint Office of Regulatory Affairs and Service Effectiveness (based in Halifax) has played an important role in eliminating / harmonizing regulations within Nova Scotia and between Atlantic Provinces. In PEI, support for the Office comes from staff within the government's Department of Economic Development and Tourism as opposed to dedicated resources. The lack of focused resources limits the ability of the PEI government to harmonize its initiatives with proven best practices within Atlantic Canada. Harmonization reduces red tape and makes it easier for businesses to grow within the Atlantic region.

- a. Will your party commit to creating a dedicated resources to emphasize and streamline red tape reduction and regulatory harmonization efforts throughout all government Departments and between Atlantic governments?

Yes  No

Comments \_\_\_\_\_

- 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 \_\_\_\_\_

4. RCC supports the current government's 2017 decision to achieve greater regulatory harmonization with its Atlantic neighbours by mandating April 1<sup>st</sup> of each calendar year as the only date in which PEI can increase its minimum wage. RCC welcomed this action but the PEI government 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. PEI's lack of a predictable approach has resulted in recent years where:

- businesses were subjected to multiple minimum wage increases
- minimum wage increases were made with limited to no stakeholder consultation
- businesses were given less than two months between the government's announcement of a minimum wage change and the actual change in the wage.

The unpredictable nature of the government's minimum wage increases has resulted in an 18% increase in the province's minimum wage since 2015 while CPI has only increased by 5.8% over the same time period.

a. Will your party commit to legislating that all future increases to minimum wage be made by the change in the CPI for the previous year?

Yes  No

Comments \_\_\_\_\_

5. The province's ban on single use plastic bags will come into effect on July 1, 2019. The implementation of this law will undoubtedly have an impact on retailers and retail consumers as it will force a change in long held consumer / retailer practice. RCC did not oppose the final version of last year's plastic bag legislation but remains highly critical of the government's non-consultative approach to legislative change. Consultation needs to occur before legislation is drafted and yet, the retail community was not aware that legislation to ban single use plastic bags was even being considered. By the time government began notifying stakeholders of the proposed bag ban, the bill had already passed second reading. The original version of the bill was flawed and would have been highly problematic for retailers and the general public. Thankfully, RCC was able to convince the government of the need to amend its own legislation by suggesting sensible amendments based on the experience of retailers in dealing with single use plastic bags.

The upheaval caused by the original version of this bill could have been avoided if the government had first taken the time to consult with RCC. Sadly, this non-consultative approach has been used repeatedly by various Departments in the provincial government. Consultation is an important part of the democratic process. Consultation also allows stakeholders to provide their expertise in creating / improving government initiatives.

- a. Will your party commit to consultation with relevant stakeholders before enacting change?

Yes  No

Comments \_\_\_\_\_

6. The retail sector is one of the largest industries in Prince Edward Island, employing almost 13% of Prince Edward Island employees and contributing over \$2.4 billion in 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 \_\_\_\_\_

- b. Will your party pledge to reward employers for taking risks, growing their businesses and creating jobs?

Yes  No

Comments \_\_\_\_\_

## RETURN SURVEY TO:

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

Jim Cormier



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