

# Member Bulletin

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## Chamber seeks an independent minimum wage setting board

The Ontario Chamber of Commerce (OCC) and the Greater Fort Erie Chamber of Commerce are calling for a new process to determine the appropriate level of minimum wage.

Until February 2004, Ontario's minimum wage rate had remained unchanged for almost nine years. After consultation with the OCC, the government phased-in minimum wage increases over four years. In 2007, three more annual increases were scheduled to end in a \$10.50/hour wage in 2010.

Last week it was announced that the minimum wage would increase to \$10.25/hour as of March 31, 2010.

The OCC successfully argued that a staged increase would help achieve a balance between the needs of Ontario's low-income workers and the needs of Ontario's businesses to be competitive. Businesses would be able to budget in advance for the increased cost of wages against anticipated revenues.

Today, unfortunately, the business environment is vastly different. OCC members are faced with a rapid turn in economic fortunes which were unforeseen at the time of the minimum wage consultations. The exact result of the next scheduled minimum wage increase, is not now known. It is the hope of the OCC that businesses are able to absorb the additional labour costs.

What is needed is a process of reviewing and setting minimum wage that is transparent, inclusive and based on a wide variety of economic factors to ensure minimum wage increases help workers benefit from economic growth on a sustainable basis. The Ontario chamber network supports an independent, third party board or commission, comprising representatives from various sectors such as business, labour and social groups, to recommend an appropriate minimum wage level.

An independent process will minimize the risk of rising business costs in periods of economic uncertainty, thereby protecting jobs and the competitiveness of businesses—all the while ensuring that all benefit in times of economic prosperity.

March 12, 2010

### Chamber Lobbying Gets Results

**December 1<sup>st</sup>, 2003** Ministry of Labour announces an increase in minimum wage. The increase, after consultations with OCC, is to be phased-in over 4 years.

**February 1<sup>st</sup>, 2004** The first of four annual increases in minimum wage occurs.

**January, 2007** Under pressure from various groups for an immediate minimum wage increase to \$10, the government again consults with the OCC.

**January 25, 2007** OCC surveys members and finds that an immediate increase to the minimum wage to \$10 per hour would affect some sectors harder than others, causing the majority of members to be opposed to the increase.

**February 5, 2007** OCC writes to Premier sharing survey results and support for gradual increases in the minimum wage.

**March 30, 2007** Government announces three more annual minimum wage increases, starting March 31, 2008.

**May 5, 2007** OCC members pass resolutions at the 95<sup>th</sup> AGM requesting that an independent review board or commission be formed to recommend appropriate minimum wage.

**January 5, 2009** OCC writes to Minister of Finance requesting the formation of a rate-setting board or commission.

**March 3, 2009** OCC writes to Minister of Labour, requesting the formation of a rate-setting board or commission.

March 2010 OCC writes to Minister of Labour to repeating request for rate-setting board or commission.