

19 July 2019

Janet Patterson
Reviewer
Workers' Compensation System Review
PO Box 97122, Stn Main
Richmond, BC V6X 8H3

By electronic mail to: info@wcbreview.ca

Dear Janet Patterson,

Subject: Workers' Compensation System Review

Retail is Canada's largest private sector employer with over 2.1 million Canadians working in our industry. The sector annually generates over \$76 billion in wages and employee benefits. Core retail sales (excluding vehicles and gasoline) were \$377 billion in 2018. Retail Council of Canada (RCC) members represent more than two-thirds of core retail sales in the country. RCC is a not-for-profit industry-funded association that represents small, medium and large retail businesses in every community across the country. As the Voice of Retail™ in Canada, we proudly represent more than 45,000 storefronts in all retail formats, including department, grocery, pharmacy, specialty, discount, independent retailers and online merchants.

Thank you for your valuable work to ensure that British Columbia's workers' compensation system remains at the leading edge. In 2019, no one argues about the importance of worker safety or the importance of returning injured workers to employment as soon as practicable. Undoubtedly, particularly regarding the efficacy of returning injured workers to employment, the system needs some tweaks.

Retail in British Columbia employs less workers than two years ago. That said, the retail industry is far and above the largest private-sector employer of British Columbians.

As an industry, retail in British Columbia is challenged. Local retailers are competing with large off-shore entities not subject to our labour, environmental, social or economic standards. After five years of robust growth, the last two years have been difficult – particularly for small retailers. Retail is a business of very small margins – and for a retailer ensuring you understand your costs well in advance is critical to success. Government has a history of not providing significant notice of cost changes. Our expectation is that, whatever you recommend, it will increase assessment costs. For small retailers, in particular, it is critical to survival that assessment rate impacts of your changes be telegraphed well in advance of the assessment rates increasing.

This Government instituted an Employer Health Tax this year. At the same time, Government changed the wage structure of our industry – which irrespective of the importance of ensuring workers have an acceptable level of income – made a dramatic impact to the retail cost structure. To one small five-store health food chain, that meant a \$300,000 cost. At the same time, the business was required to maintain the Medical Services Plan premium payments for their employees. What was an independent

B.C.-based business prior to the introduction of the Employer Health Tax was recently sold to a major national chain. The sale of the business and the consequent loss of some jobs is directly related to the short time-frame provided for the significant cost increases. One less small retail business seems to be inconsequential to many – but it is highly consequential to their workers.

Likewise, not only the Employer Health Tax and minimum wage increase, but also housing initiatives by this Government have caused major stress for small retailers of home improvement materials, furniture and appliances. Several British Columbia stores have closed their doors as a result – and no end seems to be in sight.

This Government’s multiple reports on matters related to the workers’ compensation system have made retailers very nervous about the assessment cost increases that will result. RCC is not so unrealistic as to ask that you change your work – but rather we want to ask that you understand the impacts and the fiscal environment in which those impacts occur for some industries – and tailor your recommendations to be implemented over a time period which allows more small retail businesses to survive.

The Retail Council of Canada fully endorses the joint employers’ submission to which we are signatory and is attached. Thank you for your time and consideration of our point-of-view.

Yours truly,



Greg Wilson
Director of Government Relations (B.C.)

Copy: Members of the Legislative Assembly