

For Immediate Release

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Minimum Wage Announcement a Concern for Tourism

Charlottetown, PE- The Tourism Industry Association of Prince Edward Island (TIAPEI) is expressing concerns regarding the recent announcement of an increase to the minimum wage, scheduled to take effect April 1, 2019. The announced increase will be double that of the current rate of inflation when it takes effect and will mark an almost 53% increase in minimum wage over the past 10 years with a cost of living increase of 16% for the same time period.

In its annual submission to the Employment Standards Board this year, as well as during previous submissions, TIAPEI has advocated strongly for fixing increases to minimum wage to the Cost of Living Index and substantially raising the Personal Basic Tax Exemption. TIAPEI is pleased to note that requests from industry to ensure at least six months' notice for scheduled increases, however, Kevin Moufliier, TIAPEI's CEO notes "Currently PEI's Basic Tax Exemption is the second lowest in Canada and we continue to stress the need for meaningful change to the exemption for our workforce and for business owners to remain competitive."

"Tourism on PEI has experienced significant growth since 2014 and we are concerned that this 6% increase will force tourism operators to reduce their employee numbers and shorten hours of operation, which is counterproductive to efforts to extend the shoulder season and provide high quality customer service to our visitors." TIAPEI has been a strong proponent for improving the financial position of low-income workers while maintaining economic competitiveness within the business community and urges Government to work closely in conjunction with leading industries to ensure both needs are balanced.

Tourism is a vital industry in Prince Edward Island that provides over 7,700 full time equivalent jobs for Islanders. It accounts for approximately \$447 million in economic activity each year and 6.3 percent of GDP, the highest percentage of any Canadian province.

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