

Retail's Election Agenda for Newfoundland and Labrador



Retailers are the Storefront to Newfoundland and Labrador's Economy

Retailers have a huge impact on the economic health and vitality of this province. We touch the daily lives of people in every community across the province. To ensure the continued growth of our sector and for the benefit of our customers, the next provincial government should consider several important priorities.



Retail is Newfoundland and Labrador's Second Largest Employer



12.9% of the Labour Force



35,000 thousand employed at 2,873 retail locations



Retail trade generated over \$8.8 billion in economic activity for the province in 2014.

Newfoundland and Labrador Retailers need:

- A stronger, more productive economy
- Lower costs for retailers and consumers
- Cost-effective waste diversion

Together we can **GROW** the economy and **CREATE** jobs

A STRONGER, MORE PRODUCTIVE ECONOMY

Newfoundland and Labrador's retailers look to the Government for leadership in maintaining a strong economy.

Retailers ask the government to:

- Stabilize government spending, working to achieve budgetary balance over the economic cycle.
- Be tax competitive: Reverse the decision to increase the HST from 13% to 15% and continue positive efforts to lower worker's compensation employer premiums.
- Promote a stable, balanced labour relations environment.
- Work closely with the federal government to broaden Newfoundland and Labrador's immigration pool to enhance retailers' ability to employ new Canadians.

Lower costs for retailers and consumers

Newfoundlanders and Labradorians live and work in a province in which we pay among the highest consumption taxes, and worker's compensation premiums in Canada. These high tax costs pose a challenge for retailers to compete effectively for customers' business.

Other challenges faced by Newfoundland and Labrador's retailers include:

- A sluggish economy (-2.9% GDP for 2014, projected -0.3% GDP for 2015)
- Increased competition from online merchants in other jurisdictions
- Wage pressures from prescriptive minimum wage hikes
- Low Canadian dollar = pressure to raise product prices as these are usually contracted for in US dollars

To control costs and to stay competitive, retailers need:



RATIONAL AND PREDICTABLE MINIMUM WAGE POLICY

Before any future changes to minimum wage, an economic model and policy framework must be developed and incorporate the following principles:

- Provide long term predictability.
- Driven by economic indicators such as CPI, providing a rational basis for any adjustments
- Consultation with the business community and employers directly.
- Affordability for employers.
- Understanding of the impact on the province's wider economic strategy.
- Introduce an inexperienced minimum wage differential.



EXTEND THE TRAINING TAX CREDIT TO RETAIL

The government should enhance its job creation strategies by offering a comprehensive training tax credit to help retailers absorb the high training costs stemming from labour shortage induced turnover. Government should cover the extensive in-house training conducted by retail employers as this training is not only job-specific but includes training that builds portable skills for the employee. Helping retailers defray the high costs associated with training allows them to invest elsewhere in their businesses and the Newfoundland and Labrador economy.



HARMONIZATION AND REDUCED RED TAPE

Retailers who operate in several parts of the country must contend with a regulatory patchwork in areas such as environment, loss prevention, health and wellness, food and worker safety. RCC recommends that Newfoundland and Labrador be a leader in harmonization by incorporating the best practices across the country into the regulatory process.

Cost-effective waste diversion

COOPERATIVE, COST-EFFECTIVE AND HARMONIZED APPROACH

Newfoundland and Labrador retailers play an important role in implementing green supply chain management practices.

We urge the provincial government to:

- Continue working with the retail sector to implement cost effective, coordinated, efficient waste diversion and Extended Producer Responsibility (EPR) programs to meet environmental goals.
- Promote harmonized waste diversion and EPR programs with other provinces to reduce bureaucracy and achieve economies of scale.
- Continue supporting administrative silence on eco-fees to educate consumers about environmental costs.
- Continue to be mindful of the need for reasonable program development and implementation timelines.
- Rely on the retail sector and its partners to provide best in class programs, based on sound environmental and economic standards.

The Way Forward

Government derives economic benefit from a vibrant retail sector.

It is in the government's best interest to ensure the job creation fundamentals are in place so that consumers will spend confidently for the long term health of Newfoundland and Labrador's economy.

As political parties look to make economic policy decisions, RCC encourages the adoption of Retail's Election Agenda. The issues outlined above will contribute to job growth and a strong provincial economy. RCC looks forward to a collaborative working relationship with the Government of Newfoundland and Labrador.

For more information concerning ways the Government of Newfoundland and Labrador and Retail Council of Canada can work together to ensure the continued growth of the province's retail sector, contact RCC's Newfoundland and Labrador representative,

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