

From: ["Knight, Colin" <Colin.Knight@vancouver.ca>](mailto:Colin.Knight@vancouver.ca)

To: ["Direct to Mayor and Council - DL"](#)

Date: 1/15/2026 11:29:27 AM

Subject: FSC - Memo to Mayor and Council - Fair Wage Update

Attachments: FSC - Memo to Mayor Council - Fair Wage Update.pdf

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Dear Mayor and Council,

The attached memo is for information only and provides an annual update on the City's Fair Wage program wage rates, which are adjusted annually based on a 5-year rolling average of the Living Wage regional rate.

Please reach out to me should you have any questions.

Thanks,

Colin Knight  
(He/Him/His)  
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604-873-7610

I am grateful to live and work on the territories of the x m k y m ([Musqueam](#)), S wxlu817 \_wú7mesh ([Squamish](#)), and s lilw ta ([Tsleil-Waututh](#)) Peoples.



**CONFIDENTIAL**

**MEMORANDUM**

January 15, 2026

TO: Mayor and Council

CC: Donny van Dyk, City Manager  
Karen Levitt, Deputy City Manager  
Armin Amrolia, Deputy City Manager  
Sandra Singh, Deputy City Manager  
Steve Jackson, General Manager, VBPR  
Katrina Leckovic, City Clerk  
Maria Pontikis, Chief of External Relations  
Teresa Jong, Administration Services Manager, City Manager's Office  
Mellisa Morphy, Director of Policy, Mayor's Office  
Trevor Ford, Chief of Staff, Mayor's Office  
Andrew Naklicki, Chief Human Resources Officer  
Alexander Ralph, Chief Procurement Officer and Director SCM

FROM: Colin Knight  
General Manager, Finance and Supply Chain Management

SUBJECT: *Fair Wage rate update 2025*

RTS # N/A

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The purpose of this memo is to provide Council an update on the changes to the 2025 Fair Wage rate. Fair Wage program rates are adjusted annually based on updated Living Wage BC rates.

The City of Vancouver implemented its Fair Wage program in March 2023, which uses the 5-year rolling average Living Wage BC living wage rate as a reference to calculate a fair wage. All City employees are currently compensated at or above Fair Wage rates, and do not require adjustment. Most of the City's service contracts also pay above these rates, however, some City contracts including security, janitorial, graffiti management and traffic control services are in industries that typically pay below the Fair wage rate and will require adjustments.

In 2025, the cost of maintaining a Fair Wage program was \$7 million annually, and this cost will increase by \$0.9 million in 2026 based on the most recent updates to the Living Wage BC rate.

## **Background**

On November 13, 2025 Living Wage BC (LWBC) published the living wage rates for 2025 for British Columbia. The living wage varies across BC based on costs in each region. For Metro Vancouver the living wage rate is now \$27.85 (an increase of 2.96% in comparison to last year). A living wage is the hourly amount someone needs to earn to cover basic expenses. These basic expenses include:

- Food
- Clothing
- Rental housing
- Childcare
- Transportation
- Small savings to cover illness or emergencies

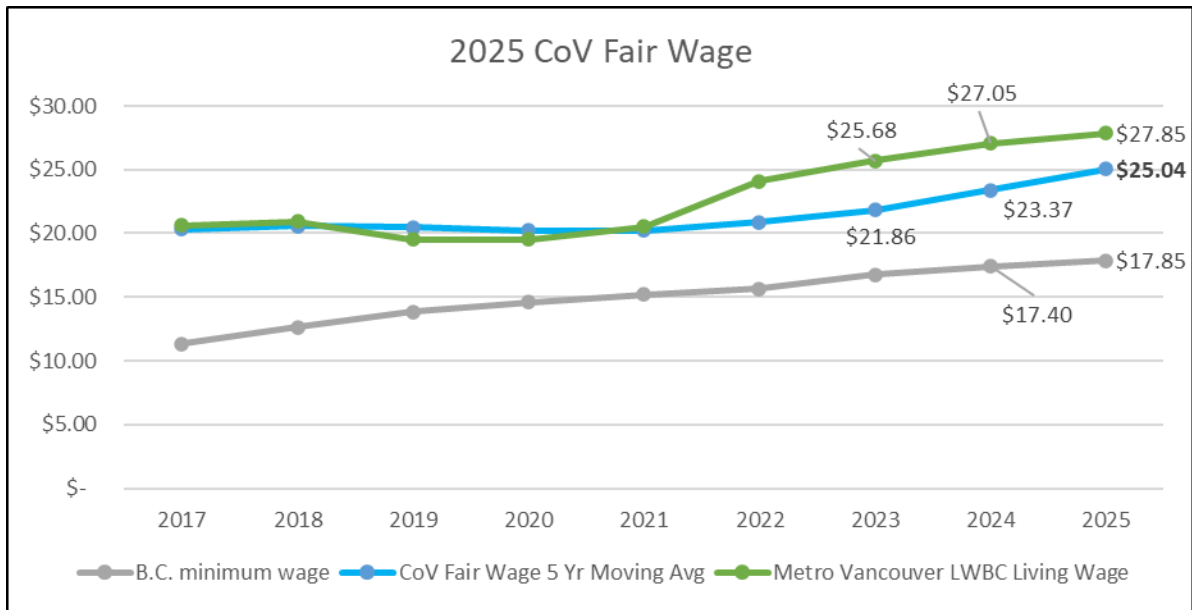
The living wage calculation is currently based on the weighted average of costs, government benefits and taxes for three different household types:

- A family of four with two full-time working parents and two children aged four and seven.
- A single parent with one four-year-old child.
- A single adult living alone.

## **City of Vancouver's Fair Wage Program**

The City of Vancouver implemented its Fair Wage program in March 2023, adopting a more practical approach to smooth out year-over-year wage rate variability. The City's current 5-year rolling average calculation uses as reference the historical LWBC living wage rate.

Incorporating the 2025 LWBC living wage rate to the City's Fair Wage 5-year rolling average, the updated rate will be \$25.04 per hour, reflecting a 7.15% increase from the previous rate of \$23.37 per hour. An analysis of the compensation for direct City employees (excluding other agencies such as VPL and VPD) shows that all employees are currently compensated at or above the updated 2025 Fair Wage rate. While most of the City's service contracts (e.g.: construction, technology services, management consulting, etc.) pay well above the City's Fair Wage, there are services contracts for the provision of security, janitorial, graffiti management and traffic control services where the industry typically pay below the City's Fair Wage and will require adjustments. The increased rate is expected to result in an additional annual cost of approximately \$890,000 to align contracted service wages with the updated City's Fair Wage. These vendors must adjust compensation within six months when the annual Fair Wage rate for the program is published.



Contract cost escalation assumptions to account for Fair Wage updates have been factored into the draft 2026 Budget.

Please let me know if you have any questions or concerns.

Regards,

*Colin Knight*

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