



Legislative Assembly of Alberta

The 27th Legislature  
Third Session

Standing Committee  
on the  
Economy

Minimum Wage Policy Review

Public Presentations, Calgary

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**Legislative Assembly of Alberta  
The 27th Legislature  
Third Session**

**Standing Committee on the Economy**

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## Standing Committee on the Economy

### Participants

Canadian Federation of Independent Business .....	EC-329
Richard Truscott	
Alberta Federation of Labour .....	EC-333
Gil McGowan	
Alberta Hotel & Lodging Association .....	EC-337
Michael Shymka	
Perry Wilford	
Canadian Restaurant and Foodservices Association .....	EC-340
Gerard Curran	
Lee Gonsalves	
Mark von Schellwitz	
Chris Thomas	
Calgary Workers' Resource Centre .....	EC-345
Xavier Cattarinich	
Nick Lepora	
Women's Centre of Calgary .....	EC-348
Kerry Lynn Okita	
Lindsay Storm	
Women Together Ending Poverty .....	EC-350
Cecilia Miguel	
Vibrant Communities Calgary .....	EC-353
Dan Meades	
Oscar Fech .....	EC-357



12:59 p.m.

Wednesday, June 23, 2010

[Mr. Bhardwaj in the chair]

**The Chair:** Good afternoon, ladies and gentlemen. I'd like to start today's hearing by thanking everyone here for their participation in this process.

I'd like to begin by inviting the committee members to introduce themselves, starting from my far right, please.

**Mr. Lund:** Ty Lund, MLA, Rocky Mountain House.

**Mr. Taylor:** Good afternoon. Dave Taylor, MLA, Calgary-Currie.

**Mr. Hinman:** Welcome to Calgary. Paul Hinman, Calgary-Glenmore.

**Mr. Chase:** Harry Chase, Calgary-Varsity. As you can see, much more comfortable on the left.

**Ms Woo-Paw:** Good afternoon. Teresa Woo-Paw, Calgary-Mackay.

**Mr. Fawcett:** Hello. Kyle Fawcett, Calgary-North Hill.

**Mr. Marz:** Good afternoon, Richard Marz, MLA for Olds-Didsbury-Three Hills.

**The Chair:** My name is Naresh Bhardwaj, MLA for Edmonton-Ellerslie.

Today's Standing Committee on the Economy is holding a second day of public hearings as part of its review of minimum wage policy in Alberta. The committee has initiated this review in response to a request from the Minister of Employment and Immigration. This committee recognizes the importance of inviting Albertans to participate in this exercise. Notice of the review has been advertised widely in the province's newspapers and on the committee's website. Interested parties have had the opportunity to make a written submission to the committee and to register to participate in the public hearings held both in Edmonton and in Calgary. The committee has received over 150 written submissions, and we have had nine groups express an interest in meeting with us today. Each presentation has been scheduled for 20 minutes, 10 minutes for the presentation and 10 minutes allowed for questioning.

**Mrs. Sawchuk:** The first presenters are the Canadian Federation of Independent Business.

**The Chair:** At this point I would like to invite Mr. Richard Truscott from the Canadian Federation of Independent Business. Before you begin your presentation, sir, just a quick sort of an overview of what we're going to be doing. Firstly, you don't have to touch the microphones as they will be operated by our very able *Hansard* staff. The presentations are part of the public record. The meeting proceedings are recorded and transcribed by *Alberta Hansard*. Of course, as I mentioned earlier, 10 minutes for presentation and 10 minutes for questioning. Please begin the presentation by introducing yourself.

#### Canadian Federation of Independent Business

**Mr. Truscott:** Sure. Thank you very much. My name is Richard Truscott. I'm the Alberta director for the Canadian Federation of Independent Business.

First of all, on behalf of the 10,000 CFIB members in Alberta I'd like to thank you, Mr. Chair, and the committee for inviting us to present to you today. We're certainly pleased to see the government ask for input on future adjustments to the minimum wage since the last two times it was changed, there was little to no consultation.

As you may know, the Canadian Federation of Independent Business is a nonpartisan, not-for-profit political lobby group. Founded in 1971, CFIB is a member-driven organization with 105,000 independently owned and operated businesses across Canada, including about 10,000 here in Alberta. CFIB represents the interests of small business and entrepreneurs across all sectors of the economy on federal, provincial, and municipal issues. I'm here today to help provide the committee with the perspective of entrepreneurs and small-business owners on minimum wage policy.

First of all, I'd like to point out that in Alberta, in large measure as a result of the strong economic growth in the past and a tight labour market that has driven up wages, only 1.3 per cent of all employed individuals are actually paid the minimum wage. Second, most minimum wage jobs are in the service and tourism sectors and are often short-term or part-time positions, so in reality we are talking about a very specific group of workers. In addition, almost 60 per cent of minimum wage earners are under the age of 25, yet only 21 per cent of young people ages 15 to 24 actually earn minimum wage. Third, it's also important to point out that most minimum wage earners actually also earn tips that supplement their income.

As you know, in 2007 the Alberta government adopted a policy of adjusting the minimum wage in accordance with increases in the average weekly earnings in the province over the previous year. Under this policy the minimum wage was increased by 40 cents on two separate occasions, April 1, 2008, and April 1, 2009. I'd like to draw your attention to the fact that there seems to be little support among small-business owners for this current approach. When we asked our members, "Should the Alberta minimum wage increase each year according to the change in the average weekly earnings?" 45 per cent said no, 38 per cent said yes, and another 15 per cent were undecided.

Generally, we believe this policy is flawed in both good times and in bad. In good times increases in the minimum wage according to the province-wide increase in the average weekly earnings may have little negative impact in those areas of the province that are growing, but I'm sure, as most members of this committee will recognize, not all regions of the province experience the same level of economic activity, meaning that the impact of higher legislated minimum wages in those low-growth areas of the province will be much more serious.

In difficult economic conditions the impact is more universally clear. For instance, the practical effect of the last minimum wage increase in April 2009 was to hike wage costs for small businesses already being squeezed hard by the recession. The timing simply could not have been worse. This was particularly true of the smallest of small businesses and those operating in certain sectors with very thin profit margins, like retail and tourism, that could least afford higher costs during difficult economic times. Simply put, higher labour cost means fewer resources to invest in new equipment, hire more workers, and, ultimately, to remain viable. In fact, many small-business owners didn't even pay themselves a wage in order to hold on to their employees through the recessionary period.

1:05

I'd like to quickly address a couple of fallacies about the minimum wage. Some people say: "Well, it's only 40 cents. It can't possibly have a major impact on the bottom line for small business."

In reality, it does. For just one full-time employee earning minimum wage, a 5 per cent increase would cost an employer an additional \$875 each year per employee, excluding payroll taxes and benefits. Even a 20- to 40-cent increase can add up to a significant hit for employers over the course of a year. Increases to the minimum wage can also cause pressure on small-business owners to boost wages across their operations, especially for more experienced staff the employers are really keen to keep.

It's also a fallacy that an increase in the minimum wage doesn't impact employment. In fact, a growing body of Canadian and international research has found that a 10 per cent increase in the minimum wage, for instance, would likely decrease employment for affected workers by 5 to 20 per cent. That means fewer employment opportunities, fewer paid hours available, and in some cases layoffs.

It's also worth challenging the assumption some people make that increasing the minimum wage for workers in entry-level and low-skilled positions must be a good thing because it appears to put more money in their pockets. However, it's important to point out that a 40-cent increase in the minimum wage does not directly translate into a 40-cent increase for the employee. By that I mean there is a direct benefit to government coffers from every hike in the minimum wage. Every time it goes up, so does the tax take by government, including federal and provincial income taxes and payroll taxes, including CPP and EI.

We hope that your committee will take a serious look at a few other approaches that will help working Albertans while minimizing the impact on employers and job creation. For instance, a number of provinces have taken a multitier approach. Both Nova Scotia and British Columbia have a slightly lower minimum wage for those individuals who are new to the workforce. Such a training wage promotes hiring by recognizing the significant investment that employers make in training and mentoring new employees. In Quebec there is a different minimum wage for workers in the food and beverage industry, who earn a large proportion of their income in the form of tips. Next door in Ontario a separate rate exists for workers under the age of 18.

But perhaps it's time to completely look at new ways of looking at the issue. Putting more money in the pockets of low-income Albertans is absolutely something we can all agree on, but perhaps there's a better way to accomplish this goal. One idea that's been floated recently that's worthy of consideration is to increase the basic personal exemption; in other words, increase the amount that someone can earn before paying provincial income taxes. As of 2010 all Albertans can earn \$16,825 annually before paying income taxes, yet a person working full-time at minimum wage earns about \$18,300 each year. Instead of simply adjusting a legislated minimum wage, why not consider raising the basic personal exemption so that no one earning minimum wage would pay a penny in income tax?

Rather than putting more money in one pocket and then having the government take more out of the other, why not just leave it in the hands of the worker in the first place? True, there would be a cost to this change but one that would be shared equally by all taxpayers, not just employers. We asked our members about this policy option: should the Alberta government focus on alternatives such as raising the basic personal exemption rather than the minimum wage to help low-income earners? Seventy-eight per cent of our members support this approach. Of course, it would make sense for groups like ours as well as provincial legislators to also pressure the federal government to do the same.

It is within this context that the Alberta government's recent decision to freeze the minimum wage at \$8.80 an hour and review the current policy makes good sense, especially as small employers

are beginning to turn their attention to the summer hiring season. At a minimum we should certainly hope the government, the opposition parties, and the public will be open to a broader dialogue about minimum wage and how to best help working Albertans but not unduly impact the viability of small businesses.

To conclude, our recommendations are as follows: no longer linking increases in the minimum wage to average weekly earnings; consider implementing a training wage for new employees and a separate minimum wage for those individuals who earn tips; and, more broadly, we encourage the Alberta government to show leadership by becoming the first province to create a new policy direction so that no minimum wage earner pays provincial income tax. Further to that, we recommend the provincial government pressure the federal government to increase the federal basic personal exemption over time as well.

Thank you very much.

**The Chair:** Thank you very much.

We've got a speakers list – colleagues, please, if you can keep your comments brief – beginning with Mr. Taylor, please.

**Mr. Taylor:** Thank you, Mr. Chair. If I can ask two quick questions. The first is on the research that you cited linking higher increases in the minimum wage to decreases in employment. Could we get a copy of that research, or could you point us in the right direction? There have been a number of other groups that have indicated that there is no such correlation.

**Mr. Truscott:** Sure.

**Mr. Taylor:** The other thing. If I could ask you to just go back in your presentation and give us those statistics again about the profile of minimum wage earners, how many are under the age of 25, that sort of thing.

**Mr. Truscott:** Okay. Sure. According to our research 60 per cent of minimum wage earners are under the age of 25, yet only 21 per cent of young people aged 15 to 24 actually earn a minimum wage.

**Mr. Taylor:** If I may, Mr. Chair, we've had it presented to us that the Alberta minimum wage profile has found that over half of minimum wage earners are above the age of 25 – 52 per cent are above the age of 25 – and that only 1 in 8 minimum wage earners, 12.7 per cent, works in an occupation like food and beverage servers. I believe you made reference to that area as well.

**Mr. Truscott:** Your stats are 1 in 8?

**Mr. Taylor:** Yeah. Uh-huh.

**Mr. Truscott:** Okay. That does conflict with some of the information we have. Can I inquire as to where you got that?

**Mr. Taylor:** That was the Alberta minimum wage profile. We're going to have to go back and do some research.

**Mr. Truscott:** Yeah. Is that published by the government?

**Mr. Taylor:** That's the government's work, yeah.

**Mr. Truscott:** Okay. I'd like to see that because that does conflict with some of the research that we have.

**Mr. Taylor:** Thank you.

**The Chair:** Done? Okay.  
Mr. Chase, please.

**Mr. Chase:** Thank you very much. For the record, Britain abolished slavery about the mid-1800s. It took the U.S. a little bit longer, after a bloody civil war, to get rid of slavery. I very much question your figures. Sixty per cent of the individuals making the minimum wage are women.

**Mr. Truscott:** Just over half making that. Yeah.

**Mr. Chase:** A number of those women are sole family wage earners. The notion that tips are going to make up: only a small percentage of the people making minimum wage are in restaurant service provision and having access to tips, and the recession has a terrific downward effect on the tipping as well.

**Mr. Truscott:** And the small business, the restaurant itself. Absolutely.

**Mr. Chase:** Well, my concern is that for a business to be successful, it's based on the service they provide. I would think that they would want to have employees that had a loyalty not only to their employer but to their customers. Given that circumstance, I would suggest that tying the minimum wage to the weekly average is probably a minimalist way of dealing with it, but it is a process.

Go ahead. I know I didn't put a question mark at the end.

**Mr. Truscott:** Okay. Sure. No problem. The one thing I'd say is that the problem with tying it to average weekly earnings, especially last year's average weekly earnings, is that if you look at economic activity in Alberta and you look at the confidence, for instance, among small-business owners over the last two years, the two increases in the minimum wage of 40 cents each in '08 and '09 on April 1st coincided directly with a sharp fall-off in economic activity and confidence levels.

I mean, it was absolutely the worst time because of the delay between the time that the average weekly earnings were measured and the time when the increase comes. That delay causes some considerable concern and trouble for small businesses that are operating in the current economic environment yet are being subjected to a policy that's based on the previous year's average of weekly earnings. That delay has caused a lot of difficulty for our members, particularly in tourism and retail and hospitality because they were seeing cost increases and sometimes significant cost increases. Forty cents per employee: you know, you run that out to a year, and then you times it by the number of employees you have. That caused considerable economic harm, considerable impact on the viability of those businesses. It was absolutely the worst time to be increasing the minimum wage.

**Mr. Chase:** Sorry. I have a question, and that is: when is the best time to tie it to the weekly average and increase it?

**Mr. Truscott:** Well, if there is ever a good time, it would be during a time of economic growth. As I pointed out, doing a one-size-fits-all approach, where you're increasing the minimum wage across the province for all industries, all sectors – you know, there are certain areas of the province that did not prosper as much during the last period of growth as others. In the areas where the province is growing, it's not as much of an impact, but certainly in those areas

that are struggling, that didn't feel the full impact of the recent economic growth that we saw in 2005 to 2007, it was quite troublesome, and really it had a major impact on the viability of those businesses.

1:15

**The Chair:** Thank you very much.  
Ms Woo-Paw, followed by Mr. Marz, please.

**Ms Woo-Paw:** Well, thank you, Mr. Chair. I have two questions. First of all, I'm also interested in some of your research material. My first question is: I take it that you are supportive or you're open to the idea of differential rates, right?

**Mr. Truscott:** Yes.

**Ms Woo-Paw:** I'd like to know whether you extend that to urban/rural differential rates. The cost of living could vary greatly between some of the centres.

**Mr. Truscott:** Sure. You're talking about tying the increases in the minimum wage to cost of living increases in rural versus urban. Is that correct? That's something we would consider and look at and survey our members about. I can see there being some wisdom to that because, obviously, the cost of living and, as I mentioned, you know, the nature of economic activity in various regions of the province is not even. There are places within Alberta that have done very well even through the recession, and then there are other areas that have been terribly hard hit, so looking at a differential rate between urban and rural might make some sense.

The more you can customize a legislated floor for wages to the economic conditions in certain areas, I think that's good. I think that's a good approach. But any time you're making those determinations, there's an arbitrary nature to it if it's being done by a government committee or by a group of bureaucrats. Certainly, we'd be very interested in extensive consultations on that kind of idea, but I think it's worth exploring.

**Ms Woo-Paw:** My second question. Many groups link the level of minimum wage to the issue of poverty. What is your organization's perspective on that?

**Mr. Truscott:** Well, I think it's really important to differentiate the issues between a social issue and an economic one. In terms of dealing with both sets of issues, quite frankly, I think it does make a lot of sense to increase the basic personal exemption so it matches what a minimum wage earner would earn in a year at minimum wage because it makes no sense to me and to our members that they're paying people and then the government turns around and takes that money out of their pocket in the form of taxes or payroll taxes and also hits the employers as such. So I think that makes complete sense as opposed to making people poorer because of the tax system.

The last thing the government should be doing is taking money out of the pockets of working Albertans who are trying to make ends meet and are working at the minimum wage level. I think Alberta could show some real leadership in terms of creating a policy that links the annual minimum wage that's being earned on an annual basis to the basic personal exemption that someone could earn every year. It makes no sense to us and our members to be taxing somebody that's making minimum wage.

**The Chair:** Thank you very much.

**Mr. Marz:** Thank you, Mr. Truscott, for a very informative presentation. Having been involved in small business myself and with my wife for a significant number of years, I understand most of what you're saying to be very true.

I have a couple of questions. The differential wages for workers receiving tips: I'm not sure how that would work because some businesses would attract a lot of tips for their employees; others would attract varying degrees. It's probably a bad example, but the difference between, say, a Tim Hortons type of coffee shop and maybe a Starbucks: one may attract tips over the other one but still not to the level where you'd attract them at a four-star or five-star restaurant. I'm not sure how you would stage that for all the different types of businesses there are out there.

I'm wondering what you would also see as a starting point for the minimum wage for any solution that we adjust from. The current one would be adequate, I would assume, unless I hear different.

The other thing. Representing a small urban and rural riding, I have a lot of small businesses that hire wherever they can people with developmental and physical disabilities that may be on AISH, where they can earn an extra \$500 a month but don't have the capability to work much more than that. Some of your comments are to the point, where some of these people would get laid off. My suspicion would be that some of these people would be the first to get laid off. I'd like your comments on that. That would create quite a hardship for them, and it's not just a financial hardship. There's a great degree of dignity that goes with having a job and earning some of your own keep, and I'd hate to see that lost on anything we do here.

**Mr. Truscott:** Yeah. Certainly, our members are in touch with that kind of thing. Small businesses are very much a part of the communities in which they operate. They're constantly reaching out and creating jobs for local citizens, including people that are mentally or physically disabled. It would be a good idea for our organization to do more research on that, the level of employment in small businesses and the number of jobs that they create for those types of individuals.

Just to get back to a couple of your other points. For instance, in Quebec they do have a two-tiered or multitiered wage system, where there is a separate minimum wage for people that earn tips. What I can commit to you today to do is to talk to our Quebec colleagues and find out more about that system if you like and even some of the survey data from our members in Quebec and find out whether or not they support that type of system and deliver that to the committee if that would be helpful.

I think at a minimum the minimum wage itself should be indexed to inflation. I think it makes sense to at least have that floor adjusted to the general increase in the prices in the economy for workers. I mean, if it's not, then it's actually shrinking; the level of the minimum wage is actually diminishing. As a first step, I think, at a minimum the minimum wage level should be indexed to inflation. There's no doubt.

**The Chair:** We're actually out of time, and we have three more speakers, so please keep them short because we don't want people to read their questions into the record. The same with you, sir. Just short comments.

Mr. Hinman, please.

**Mr. Hinman:** Well, thank you. I appreciate your presentation. I've long been an advocate of increasing the basic tax exemption. Again, one shoe doesn't fit all. Whether you're down in Coultts at the border, Lethbridge, Calgary, Fort McMurray, the minimum wage is

not really relevant. If we were going to tie it to something, I wonder if perhaps it shouldn't be to the cost of housing. I mean, inflation and all those other things can go up and down a lot. But if you can rent a facility down in Milk River for \$400 a month versus Calgary at \$1,200, Fort McMurray at \$2,200, housing seems to be a big one.

Like I say, I appreciate your efforts in doing those things, but do you have any numbers to counter the claims a little bit clearer on what jobs would be lost with all of your member businesses? You talked about it, but do you have any actual numbers? Did you do surveys that say that if you raise it another 40 cents or a dollar, we're going to lose this many people that are employed in the province?

**Mr. Truscott:** Yeah. I can do a search. I don't have that information at my fingertips, but we could do a search and also deliver that information to the committee. Your idea about tying it to the cost of housing is interesting although in some places like Fort McMurray that might create an awfully high minimum wage.

**Mr. Hinman:** But do you not find that those places don't even have a minimum wage relevant? I mean, I talked to a Tim Hortons, and they're paying \$18, \$19 an hour. It's just that the free market seems to dictate a lot more.

Mr. Marz talked, you know, about people with PDD. It just seems like we try to step in, and we lose small businesses because we're trying to regulate them with the wage control.

**Mr. Truscott:** Yeah. That's a really good point. Actually, I meant to address that with Richard Marz as well, that for a Starbucks or a Tim Hortons the going wage is much higher than the legislated minimum wage.

I think there is likely some good research that we can deliver to the committee on things like which businesses would be most highly impacted by a major increase in the minimum wage. We can deliver that to the committee. I know that just on the face of it it would certainly be the smallest of small businesses, the ones that operate on the thinnest of profit margins, the ones that employ five people or less. Those are the ones that would be hit considerably harder because they operate so close to the line.

**Mr. Hinman:** Those are the numbers I'm most interested in.

**Mr. Truscott:** There are those businesses and those business owners, and then beyond that there are also certain sectors, as I mentioned: tourism, hospitality. Again, the margins in those industries are extremely thin. During an economic downturn, when the government was requiring higher minimum wages, in those industries it had a major impact. It certainly affected the viability of many of those businesses. Many of them went out of business, quite frankly, and then you don't have those jobs at all. Those jobs are gone, minimum wage or not.

1:25

**The Chair:** Thank you very much.

Mr. Fawcett and Mr. Lund, please.

**Mr. Fawcett:** Thank you, Mr. Chair, and thank you, Mr. Truscott, for your informative presentation. I just wanted to ask a question around your recommendation that we look at increasing the basic personal exemption. Just two parts to the question. Where would we need to bring it up to at this point to get it to where it would be effective, and how would you on an annual basis determine how much you raise that basic personal exemption to ensure that, essentially, those in-pocket increases to deal with your bills and that



sort of thing are passed on to not just minimum wage earners but all earners?

**Mr. Truscott:** Yeah. You're absolutely right. That would affect all working Albertans, in fact, all Albertans that earn income. We're saying that right now the basic personal exemption is \$16,825. Our benchmark would say to put it in line with what a minimum wage earner would earn working full time over the course of a year, which is \$18,300. It's got a gap of about \$1,500 to go. There would be a cost to the provincial treasury for that, but as I mentioned during my remarks, as opposed to asking business owners to pay for that and the impact on job creation that that would result in, it's asking that it be shared by all taxpayers throughout the province. Everybody would have access, of course, to that much larger basic personal exemption.

I guess I should also say that Alberta has been a leader in this. Alberta's basic personal exemption is much higher than the national average and considerably higher than the next province down. I'm just saying that as a policy direction, as a way to leave more money in those individuals' pockets in the first place, I think it makes complete sense to line up those two measures, the basic personal exemption on the provincial side and then also the amount that a person could earn at minimum wage on an annual basis.

Does that answer your question?

**Mr. Fawcett:** The other part was just: how would you determine how to increase that on an annual, go-forward basis?

**Mr. Truscott:** You'd have to keep an eye on the minimum wage level and index it accordingly, the basic personal exemption. It probably wouldn't all happen in one shot. You'd have to phase it in. The challenge for Alberta would be considerably less than a place like Nova Scotia, where the basic personal exemption is much lower. You'd have to be measuring, based on the current minimum wage, what a person would earn on an annual basis and then using that as your goalpost to increase the basic personal exemption on the tax side.

**The Chair:** Thank you.

Mr. Lund, please.

**Mr. Lund:** Thank you, and thanks very much for the presentation. I, too, am very interested in the raising of the personal exemption. I think that not only would it really help those that are on minimum wage but those that are just above the minimum wage. We have a lot of working families that are struggling, and this would help them very much as well.

**Mr. Truscott:** Right. I agree.

**Mr. Lund:** Also, you're going to do quite a bit of research. You did make a comment about the differential. I think that this is what you were saying, that the differential is because of the training when an individual would be starting work. I've got a couple of questions around that. They would be: how many hours would you expect that someone would just qualify for the lower in the differential because of the training factor, and would that be transferable?

**Mr. Truscott:** Transferable in what sense, sir?

**Mr. Lund:** Well, say they're working in a restaurant and then moving over into a hotel.

**Mr. Truscott:** Yeah. I would say that the lower wage would follow the individual, the worker. I think your sensitivity to the fact that it would help all working Albertans, the basic personal exemption, is a good one.

In terms of providing a different minimum wage by sector or to recognize the training and the costs that many small employers incur and the mentoring time and cost, I think that that's a great recommendation. How long that period would be would be subject to debate. I think it would need to be a reasonably long period of time, six months or a year. Once that worker is fully up on their feet and functioning within the business and providing real value to the business owner and to the business itself, then they could be bumped up to that higher minimum wage.

**Mr. Lund:** If I might, Mr. Chairman, we had one presentation that recommended 500 hours and/or three months, whichever came first.

**Mr. Truscott:** Yeah. I'd see three months as a minimum. You know, I guess it would depend on the nature of the business, too, and the complexity of the work that's being done.

**Mr. Lund:** I would appreciate if you would flesh out some of this.

**Mr. Truscott:** Yeah. We've done a very extensive report on the training that small businesses do and the impact and the cost. I don't believe we deal with that issue directly, but I can also provide that research report to the committee if that would be helpful.

**Mr. Lund:** Thank you.

**Mr. Truscott:** But that's an interesting question, exactly how long that period will be.

**The Chair:** Thank you very much, sir, for your presentation.

**Mr. Truscott:** Okay. Thanks very much.

**The Chair:** Sorry, ladies and gentlemen, for going a little bit over.

**Mrs. Sawchuk:** The next presenter is the Alberta Federation of Labour.

**The Chair:** Thank you very much, sir. As you are getting settled, just a quick overview. You don't have to operate the microphone as it will be operated by our *Hansard* staff. Presentations are part of the public record, and the meeting proceedings are recorded and transcribed by *Alberta Hansard*. You do have 10 minutes for your opening remarks for your presentation, and then please allow 10 minutes for the colleagues to ask you questions. Please begin the presentation by introducing yourself.

#### **Alberta Federation of Labour**

**Mr. McGowan:** Thanks, Mr. Chairman. Good afternoon. My name is Gil McGowan, and I'm president of the Alberta Federation of Labour. As many of you probably know, the AFL is Alberta's largest labour organization, representing 29 unions in the public and private sector, with a collective membership of about 140,000 Albertans. On behalf of that membership I'd like to take this opportunity to thank you for giving us time to talk about this very important question about how Alberta's minimum wage should be set.

Now, I've often been described in the media as one of the

government's most vocal and persistent critics, and I'm the first to admit that there is a lot of truth in that label. On behalf of my members I've raised concerns about this government's approach to workplace health and safety, its approach to labour law, its approach to temporary foreign workers, and its approach to the development in the oil sands among many other things. So you can imagine my surprise when about two and a half years ago I found myself in agreement with a major decision made by the Premier and the minister of employment at the time. I didn't just agree; I actually wanted to shout my enthusiastic support from the rooftops. The decision that I'm referring to, of course, was the decision to increase the minimum wage and, even more importantly, to explicitly tie future increases to changes in the average weekly wage index.

At the time the Premier and the minister basically said that whenever other Albertans got a raise, the lowest paid Albertans should get a raise, too. It was the same logic and the same mechanism that the government decided to use to determine pay increases for MLAs.

I had a few quibbles at the time. I thought that the starting base wage could have been set a little bit higher than it was, and I thought that the Alberta consumer price index might have provided a more appropriate benchmark than the weekly wage index, but on balance I felt that the government had done the right thing for the right reasons. It was a simple system, a transparent system, a predictable system, which is important for business, and it was a fair system. It was, I would argue, an example of public policy at its thoughtful best.

Now, I'm a strong believer in giving credit where credit is due, so I wasn't shy about praising the government on the day that announcement was made. I did it in writing, I did it with press releases, and I said it to anyone who would listen. Wholeheartedly supporting the government of Alberta on a major policy issue was sort of uncharted territory for me, but honestly it felt good to be able to do that.

Unfortunately, today I find myself in more familiar territory. We're here because the new minister of employment, Thomas Lukaszuk, has called for a review of Alberta's minimum wage policy and has suspended the small increase that was supposed to be given to minimum wage workers this spring. To say that I'm disappointed by this turn of events would be an understatement. When the minister made this announcement about the freeze and the review, he said that he was doing so largely because many employers had told him that increases in the minimum wage, however small, would lead to significant job loss. That's really why we're here today, because business owners, especially business owners in the service sector, played the jobs card, and they did it during a recession. To be fair, anyone sitting in the employment minister's chair has to take concerns about job losses seriously, especially at a time when the number of unemployed is increasing, as it has over the last two years.

#### 1:35

If you're a business or a business lobby group that is asking the government to take money out of the pockets of its poorest citizens, the onus is on you to back up your arguments with facts and not simply rely on fear. Now, anecdotes are not evidence, and rhetoric is not reality, but that's what spurred this review on, frankly: unsubstantiated anecdotes, overheated rhetoric, and thinly disguised self-interest in the form of arguments about job loss.

I say all of this because when it comes to the argument that is at the core of this debate, the argument that even a small increase in the minimum wage would kill jobs, the bottom line is that there is no evidence to substantiate that argument. In fact, what the evidence

clearly shows is the exact opposite. What the evidence shows is that employment in the low-wage service sector has actually increased in Alberta whenever we've increased the minimum wage over recent years.

Now, the Alberta Federation of Labour has conducted a five-year analysis of the occupations most likely to pay minimum or low wages, occupations in retail sales, cashiers and clerks, food and beverage service workers, and those employed in travel and accommodation. Since 1995, as most of you know, Alberta has made four upward adjustments in the minimum wage, and every time the number of Albertans working in low-wage jobs went up. In 2005 the minimum wage was boosted from \$5.90 to \$7 an hour. One year after that increase there were 26,700 more Albertans working in the food and beverage service and travel and accommodation industries.

Similarly, in September 2007 the Alberta government boosted the minimum wage from \$7 an hour to \$8 an hour. In April 2008 they increased it again to \$8.40 an hour, and in this eight-month interval between these increases – and keep in mind that this is just as the global credit crisis was beginning to shake business and consumer confidence – the number of Albertans working in the food and beverage, retail, and travel and accommodation industries grew from a total of 342,800 to 363,300 employees.

Finally and most recently, in April 2009 the minimum wage was increased again from \$8.40 an hour to \$8.80 per hour. Now, I don't have to remind you of this, but around this time overall unemployment in Alberta had increased from 6 per cent in April 2009 to 7.4 per cent in May 2010, which is a 15-year high-water mark for unemployment in the province. If increases in the minimum wage really kill jobs, you'd think that surely during this period at least, when other jobs were being shed, jobs would be lost in the service sector, but it didn't happen.

During this period employment in food and beverage service, retail sales, and travel and accommodation actually grew in the year since the last minimum wage increase. Albertans employed in retail sales and clerks and cashiers grew from 129,600 in April 2009 to 142,400 individuals today. Similarly, Albertans working in food and beverage service went from 64,700 in April 2009 to 68,700 in May 2010, the most recent statistics. Albertans working in travel and accommodation services grew from 185,800 in April 2009 to 188,400 in May 2010.

So why have all the Conservative predictions and the predictions that we've just heard from my colleague from the CFIB about job loss related to minimum wage increases turned out to be empty phantoms? Well, partly because they are frankly motivated by what I would describe as a self-interested desire by some employers to keep wages low.

More importantly, those predictions were wrong because they were based on economic models as opposed to empirical evidence. Models work only if the assumptions that they're based on are true. That's why they're dangerous tools to rely on for policy-making. Empirical evidence, on the other hand, is by definition true. It's reality, and reality, not ideologically driven conjecture, should be the basis of all public policy, especially those policies that affect our most vulnerable citizens. What the empirical evidence from right here in Alberta shows is that there is no substance to the argument that modest, predictable increases in minimum wage kill jobs. It's a myth, plain and simple.

Unfortunately, it's not the only myth that has been clouding the debate on minimum wage. For example, there's the myth that minimum wage is a living wage. It's not. An Albertan earning the current minimum wage of \$8.80 an hour working 40 hours per work 50 weeks per year earns \$17,600 per year before taxes, because we

actually gave them a two-week vacation, unlike my colleague from CFIB, which is the law. That figure, \$17,600, is \$4,533 below the before-tax low-income cut-off for individuals living in a city. This is better known as the poverty line. If the person that we're talking about earning this wage is the head of a lone-parent family with two children in one of our two big cities, Edmonton or Calgary, a full-time hourly wage of \$10 an hour, significantly more than current minimum wage, which is, by the way, the wage earned by 7 per cent of working Albertans – that family still is earning \$13,133 less than the poverty line.

Another myth has to do with the number of Albertans who struggle with low wages. Now, some people have become fond of reminding us that very few workers earn minimum wage. [A bell sounded] Is that the end?

**The Chair:** Thirty seconds.

**Mr. McGowan:** Thirty seconds. Okay.

Let me just wrap up by saying that the main conclusion that I think needs to be drawn is that Alberta can and should do better. The other main conclusion is that Alberta can and should base its policy on minimum wage on facts and empirical evidence, not hearsay, rhetoric, or self-interested fearmongering. What do the facts tell us? They tell us that too many working Albertans are suffering with low wages, they tell us that regular, predictable increases in the minimum wage would help those struggling Albertans, and they tell us that increases in the minimum wage have not in the past and will not likely in the future result in job loss.

I'll wrap it there.

**The Chair:** Thank you very much, sir.

We've got a list of speakers, beginning with Mr. Chase.

**Mr. Chase:** Yes. I'm very aware that Alberta has the least number of individuals belonging to unions and therefore having the protection of a union or a professional association such as the Alberta Teachers' Association, which the chair and myself are both members of. I'm just wondering if you know what percentage of Alberta workers aren't protected under a union or a professional association. Then the second question: what credibility do you think this government has with either unions, associations, or workers in general based on its failure to uphold the five-year teaching contract commitment?

**Mr. McGowan:** Well, as you know, Alberta has the lowest rate of union membership of any province in the country, largely because of what we would describe as restrictive labour laws. We have about 24 per cent of working Albertans covered by a collective agreement, which translates to about 370,000 working Albertans in this province. Virtually all of them get paid substantially more than the minimum wage, but we've taken an interest in this issue because as a federation we've always defined our responsibilities more broadly to include all working people, not just those who we represent directly. We're the only organized voice on the side of working people, and most of those people struggling with minimum wage or close to it have no other organized voice, so we stand up for them.

I'm not sure I'll take your bait on the question about the teachers. Obviously, we're not particularly pleased.

What I will say in terms of the government's credibility is that when the government did the right thing for the right reasons and decided to increase and index the minimum wage, their stock with struggling working people and working families went up. I actually

patted the Premier on the back for that because he deserved it, frankly. That was a concrete example of the government doing the right thing for people who needed help.

1:45

**The Chair:** Thank you very much.

Mr. Fawcett, followed by Mr. Marz, please.

**Mr. Fawcett:** Thank you, Mr. Chair. Thank you for your presentation, Mr. McGowan. You talked a lot about empirical evidence rather than rhetoric or anecdotal evidence. I always go back to one of the books that I got in university, *How to Lie With Statistics*. I'm not suggesting that you're lying with statistics, but I do want to question some of the conclusions that you came up with from the statistics that you used. To me it seemed like you suggested that there was a direct correlation between an increase in minimum wage and an increase in the number of jobs that are typically minimum wage and, therefore, you know, saying that it's a myth, that it doesn't reduce jobs. Is that correct?

**Mr. McGowan:** I'm not suggesting that an increase in the minimum wage creates jobs, but what I'm saying is that the empirical evidence from here in Alberta and elsewhere shows that it doesn't destroy jobs. In fact, those findings, by the way, are based on what is called the National Occupational Classification from Statistics Canada, compiled in a database called the CANSIM database, which is sort of the Bible for statistics. These are not statistics that you can manipulate easily. If jobs are lost, jobs are lost. If they're created, they're created. We will certainly make all the research information that we used to compile these tables available to the committee. It's straightforward, and we stand behind it.

The interesting thing when it comes to empirical evidence on the job results of minimum wage increases is that this kind of approach has been taken all around the world. Other jurisdictions have grappled with the same question about when and whether to increase the minimum wage. Wherever it's been studied on an empirical basis, there's been no consistent finding of job loss: United States, United Kingdom, Europe. Wherever minimum wages have been increased, either there have been no job effects or there have been slight increases.

One of the reasons that some observers have said there might be an increase is because you're putting more money in the pockets of low-wage workers. More than other workers higher up the income ladder, low-wage workers tend to spend that money in the economy, so the money is recycled very quickly and actually results in small job increases.

**Mr. Fawcett:** Just one follow-up question, Chair, quickly?

**The Chair:** Quickly, please.

**Mr. Fawcett:** I guess my question is: what evidence do you have, and do you have any statistics, that would suggest that the increase in jobs that you were alluding to would not have been greater without a corresponding minimum wage increase?

**Mr. McGowan:** That would be impossible to say, but I'll reiterate again that if minimum wage was really such a huge problem, especially for employers in the service sector and especially during a recession, you would have probably seen job loss. But you didn't see that. You didn't see it here in Alberta. You didn't see it anywhere else where minimum wages were increased.

I recognize that I have a short amount of time, but I did want to

just take this opportunity to say a couple of things about the suggestions made by the CFIB, very quickly, if I may. The suggestion that we introduce a differential wage for people who earn tips is a concern to us in the labour movement for two reasons. First, the majority of low-wage earners, as I think Mr. Hinman pointed out, don't earn tips. Even among those who do, some of them don't earn good tips. So it's not a solution. The second point that was raised by my colleague from the CFIB was the suggestion to increase the basic personal exemption. This may come as a surprise to you, but we wholeheartedly support that suggestion because it would benefit low-wage workers and also middle-income workers.

I would make one point of correction to my colleague from the CFIB, however. He said that increasing the basic personal exemption would make it so that minimum wage workers don't pay tax. They don't pay tax already, mostly because of the federal government's low-income supplement, which they're all eligible for. So increasing the personal exemption will not put any more money in their pockets, only a wage increase will.

The training wage. There are provinces that have long experience with this. All I can tell you is that wherever training wages have been tried, there has been abuse. My colleague from British Columbia just recently told me stories about employers in the service sector who will work people until they've exhausted their time on the training wage, then they'll fire them and bring more young people in.

I would also point out that there's usually very little training going on, especially in the service sector. Canada has an abysmal record in terms of spending on workplace training. Other countries do it much better than we do and spend a lot more. We would applaud employers who spend more money on training. But if you want to spend money on training, the way to do it is not by taking money out of the pockets of young workers; it's by actually spending money on training.

**The Chair:** Thank you very much, Mr. McGowan.

Colleagues, please, if you can keep your remarks and questions short.

Mr. Marz, please. We only have two minutes and 21 seconds left.

**Mr. Marz:** Okay. I'll be quick. Thanks very much for your presentation, Mr. McGowan. Just a clarification. Skipping ahead to the back page, you are proposing an immediate increase to \$9.05, within the months ahead to \$10, and then as the recession gets behind us to \$12.20. I'm assuming that would be in the next year or two. Is that correct?

**Mr. McGowan:** Yeah.

**Mr. Marz:** Do you feel we can achieve that without job losses in a two-year time frame?

**Mr. McGowan:** Yes. Well, we can certainly achieve the first two. The increase to slightly over \$9 an hour is what would have happened if we had maintained the system that the government put in place itself, an increase to \$10 an hour would put us in the middle of the pack compared to other provinces around the country, and the \$12.20 per hour figure that we refer to is the minimum that would be required for someone to earn if they were working full-time, full year and living in either Edmonton or Calgary to actually live above the poverty line. We feel very strongly that anyone who works full-time, full year should be able to live above the poverty line. That's the bottom line for us.

**The Chair:** Thank you very much.

Mr. Hinman, please.

**Mr. Hinman:** Well, thank you. First of all, the first question is on the \$17,600. I thought it's two weeks with pay. Is there a discrepancy there, like, they really don't get this? Or am I missing something on that that you brought that up to say that we don't really earn \$18,300; it's \$17,600?

**Mr. McGowan:** Yeah. I mean, it's in the ballpark. If they worked a full year, they would get the two weeks.

**Mr. Hinman:** Will they get the two weeks with pay, though?

**Mr. McGowan:** Yes.

**Mr. Hinman:** I wasn't sure on that.

I find your comments on empirical evidence – I'm a huge believer in let's get the facts. Too often we don't. What are the facts on the actual economy from the growth? I wasn't privy to your presentation; otherwise, I'd know what the growth of the economy was from the 9th of April to June of this year. If you go through each of those dates, I think you'll see that the economy actually grew, and when the economy grows is when people get jobs.

It's kind of like someone coming into a room with an elephant in the room and they have a mouse in their pocket. They come running in, and the elephant leaves. They think, "Oh, wow, isn't this exciting? The elephant is afraid of me," when in fact it's afraid of a smaller thing called the mouse.

You talk about a \$12 minimum wage. Do you really think that if we were to raise that in Alberta, we would increase jobs and we'd have a boom and a prosperous province that's never been seen before? If so, why don't we go to \$18?

My question that I think is really critical: do you really think one size fits all? I've travelled up and down, east and west in this province, and I tell you the cost of living varies greatly. I just met a businessman that was going to put up a business in Calgary. It was going to cost him \$14 million for the land. He decided to go out to rural Alberta, bought \$14,000 worth of land. He could afford to pay his wages higher there than the individual who wanted to start a business here in Calgary. Do you really feel that one size fits all and that we shouldn't be looking at having differentiations if we're going to continue with a minimum wage?

**Mr. McGowan:** Okay. There were several questions there, and I'll try to answer them in order.

**Mr. Hinman:** We're short of time. I apologize.

**Mr. McGowan:** No. That's fine. I've been guilty of the same thing.

**The Chair:** Time is up.

**Mr. McGowan:** My time is up?

**The Chair:** Well, you go ahead and answer. We have two more speakers, so quickly, please.

**Mr. McGowan:** Okay. In terms of your question about the economic health of the province distorting the results that I've presented, you're suggesting that the return to economic health has masked any job losses that may have resulted as a result of the last

minimum wage increase. I would suggest, with respect, that that's not the case. In fact, Alberta's job situation really only turned around in the last month or so. We were the only province to continue recording job losses up until about April, right? April was when we actually started to come out of the trough. Our figures are from April and May, so the snapshot that we took very specifically was to correspond with the recession and its effects on employment. During that period what we saw is that while other jobs in other sectors were declining, jobs in the service sector were actually increasing. So, you know, I think that the argument still stands.

1:55

In terms of the variability in cost of living and the cost of doing business from one area of the province to another, there's absolutely no doubt that that is true. It's much more expensive to do business in Fort McMurray than it is in Lethbridge, and it's more expensive to do business in Edmonton or Calgary than it is in Camrose. However, what we're saying is that, you know, governments are called upon to exercise wisdom, and in this case we're calling on the government to find a minimum that works throughout the province. Obviously, many people are going to work above that – and, actually, we would hope that would be the case – and most do.

What I would say – and this is what happens with the minimum wage – is that in parts of the province where the costs are lower, there are more people working at or near the minimum wage. In the higher cost jurisdictions employers have to bid up the wages, and I think that would be the case. It doesn't negate the fact that we need a minimum to draw a floor from which workers can bargain their wages up. The question is where that floor should be. I'm confident that in a province as wealthy as ours, with an economy as strong as ours, we can accommodate one of the highest minimum wages in the country. Right now we're third from the bottom.

**The Chair:** Thank you.

Mr. Taylor, go ahead, please.

**Mr. Taylor:** You know what, Mr. Chair? I'm satisfied with the answers that we've heard here, and I'm willing to cede the floor.

**The Chair:** Thank you very much.

Mr. Lund.

**Mr. Lund:** In the interests of time I'll pass.

**The Chair:** Thank you very much. We'll ask for our next presenter. Thank you so much for your presentation, sir.

**Mr. McGowan:** Thank you very much.

**Mrs. Sawchuk:** The next presentation is by the Alberta Hotel & Lodging Association.

**The Chair:** Thank you very much, gentlemen. As you're getting settled, just a couple of opening remarks. You don't have to operate the microphones as they are being operated by our *Hansard* staff. Presentations are part of the public record. The meeting proceedings are recorded and transcribed by *Alberta Hansard*. You have 10 minutes for your presentation, and my colleagues will have 10 minutes for questioning. Please begin the presentation by introducing yourselves.

**Alberta Hotel & Lodging Association**

**Mr. Shymka:** Good afternoon. On behalf of the Alberta Hotel &

Lodging Association and its members we would like to thank the hon. members of the Economy standing committee for the opportunity to make our presentation. The Alberta Hotel & Lodging Association represents 885 hotels, motels, campgrounds, and resorts in Alberta, which is more than 93 per cent of the guest rooms in almost 200 communities. We have been an association for over 90 years and come today as members of the board of directors. My colleague with me today is Perry Wilford from the Glenmore Inn & Convention Centre in Calgary. My name is Michael Shymka, chair of the Alberta Hotel & Lodging Association and from the Town & Country hotel.

From the outset it is imperative that this committee is advised that we are not here today arguing for or against increases to the minimum wage. Rather, we are before you today to discuss the process and policies which determine the trigger for increases in the minimum wage and the formula. We are also here to let you know that we support the position of the Canadian Restaurant and Foodservices Association. Combined, our industry employs more than 130,000 Albertans and contributes 5.1 per cent to the GDP of this province.

Competitiveness and productivity are key concerns for the Alberta tourism and hospitality industry, which competes with global destinations to attract tourist dollars. As a service industry we rely heavily on labour to deliver and attract product offerings with a diversified selection of prices. In fact, labour is one of our biggest operating expenses at any hotel, and managing labour costs is critical if our industry is to successfully compete with other destinations. At our property labour costs represent 11 per cent of revenue and 14 per cent of expenditures, inclusive of our retail operation.

It is also imperative that we offer our customers a range of products at prices that match a tourist budget. In other words, we must offer a basket of products along a spectrum from economy to luxury that allows businesses to grow and keeps Albertans employed. Accordingly, after careful deliberation and thoughtful discussion we would like to make the following recommendations with regard to Alberta's minimum wage policy.

**Mr. Wilford:** Ladies and gentlemen, our recommendations are these. Number one, an end to the current policy of tying Alberta's minimum wage to the previous year's average weekly earnings. Some points regarding that. Over time average weekly earnings have outpaced the CPI in Alberta. The average weekly earnings increase from 2009 was, from our records, 2.9 per cent, and the CPI was negative .1 per cent. Over the past five years the minimum wage has increased from \$5.90 per hour to \$8.80 per hour, which is a 33 per cent increase. I can assure that you our properties did not show a 33 per cent increase during that time. Across all industries the five-year average weekly earnings in Alberta was 23.9 per cent versus a five-year aggregate CPI increase of 13.7. That was through Alberta Finance and Enterprise.

The increase in the minimum wage in Alberta has not been tied to the growth of industry sectors, which results in hardship for the industries that do not have the growth to match the increases in the minimum wage. A higher minimum wage puts strong upward pressure on the entire wage structure, posing significant concern for the employers in current economic times.

Minimum wage has increased by 33 per cent over the past five years; however, the hospitality sector has not experienced a similar growth in the same period. According to Alberta Tourism, Parks and Recreation, of the government of Alberta, hotel occupancy rate is a good measure to reflect the growth of the hospitality industry. An extrapolated analysis for a theoretical property of 350 rooms,

based on the average daily rate and average occupancy rates over the past five years, will have increased by only 16 per cent.

Current policy creates self-perpetuating wage increases and a domino effect across the economy. This also increases costs of EI, CPP, and WCB for employers. It may discourage employers from offering health benefits, scholarships, and retirement savings programs, and these benefits have greater value than small increases to hourly wages.

National and international associations seek out venues for their meetings that foster a culture of service and demonstrate professionalism in their product delivery. That requires a stable, trained workforce.

The current formula for determining minimum wage reduces our competitiveness. As a result, employers ask for more from their employees, which results in poor service and a lack of quality product, disappointing consumers and making industry less attractive, creating higher turnover. It's a spiralling effect.

**Mr. Shymka:** Second, introduce a new minimum wage policy that links minimum wage to the average midpoint Bank of Canada inflation rate. I looked at a couple of charts from the government of Alberta June 2010 monthly economic review. I don't know if you can see this, but this is the unemployment rate, this is the consumer price index, and this is the average weekly earnings. I don't think you have to be an economist to figure out that there is a disconnect, to say the least.

Therefore, we propose linking the target Canadian inflation rate that is part of the Canada monetary policy, and not using the Alberta weekly earnings rate, to maintain an even increase in our competitiveness. This will allow minimum wage earners to maintain their purchasing power, and it allows operators to maintain operating margins by increasing prices at rates that do not erode their customer base. I don't think the Alberta average weekly earnings rate is the tool to use to do that.

The Bank of Canada rate also allows for sustainable growth. It takes out the peaks and valleys, and I think the peaks and valleys are very problematic in the Alberta economy. We have booms, and we have busts. We have a youth unemployment rate of 15 per cent according to information from the same report. So we are prone to these factors.

**Mr. Wilford:** We would also like to support introducing wage differentials as well. Why? Well, this creates incentive for employers to hire first-time employees with no experience. This is an opportunity. It mitigates high youth unemployment, makes Alberta's tourism and hospitality industry more competitive. Ontario, Nova Scotia, and B.C. have entry-level training wage differentials, as do 37 of the United States.

Entry level positions are the highest turnover in our industry, usually within the first 500 hours of work, or basically the three-month probationary period. During the training period new hires are unable to contribute as fully as the trained staff. Training wage differentials help to offset these costs. It recognizes achievement of employees who complete their training period.

How would we do this? We'd freeze minimum wage at the current level of \$8.80 for the first-time workers. New hires progress to general minimum wage after three months or 500 hours of on-the-job training. Once entry-level training wage reaches a dollar-per-hour spread from the general minimum wage, the entry-level wage would increase annually by the same percentage as the general minimum wage.

2:05

**Mr. Shymka:** Introduce a gratuity wage differential for staff who serve liquor only. Why? Employees who serve liquor or a combination of liquor and food receive a significant portion of their compensation as gratuities. This allows employers to pay higher wages back to house employees. Employees have a greater incentive to provide good service.

An analysis of the current workforce composition of the Town & Country hotel shows that approximately 13 per cent of our employees are earning a minimum wage. However, all these positions earn cash tips as part of their total compensation. All of the identified employees work in our food and beverage outlets. With the additional compensation the true value of their wage ranges from \$12 to \$20 per hour for staff that are earning taxable gratuities. This illustrates that the true wage for the employees that receive minimum wage and gratuities or tips is equivalent or exceeds salaries of many of our front-line managers on an hourly wage basis.

We propose freezing the minimum wage for liquor server employees at current levels, at \$8.80 per hour, following the next increase. Gratuity wage differentials apply only to bartenders and food and beverage servers who serve alcohol directly to customers as a regular part of their employment. Once server gratuity wage earners reach a \$1 spread from the general minimum wage, the entry-level wage would increase annually at the same percentage as the general minimum wage.

We'd also recommend there be a provision of six months' notice of wage adjustments. This enables the industry to more accurately budget labour costs, which are one of the largest inputs into our business.

In conclusion, let me reiterate: we are not here to argue against minimum wage increases. On the contrary, we are suggesting mechanisms that will allow an ongoing review of minimum wage policies that are sustainable, progressive, and that will ensure that the overall competitiveness of Alberta within Canada and even within the global economy is considered.

Thank you.

**The Chair:** Thank you very much.

We've got a list of speakers, beginning with Mr. Chase, please.

**Mr. Chase:** I'm interested in some of the benefits beyond the minimum wage that your organization provides. Your colleagues at an Edmonton presentation talked about a national average, but the reality is that Alberta is one of the most highly inflated areas, so paying somebody a Manitoba wage or a Nova Scotia wage in the Alberta reality doesn't take into account the cost of living here. So I sort of reject that out of hand.

I'm interested in the percentage of turnover of your employees. You mentioned that in that first sort of training period you lost a lot of people. Or did I hear that wrong?

**Mr. Wilford:** That's not necessarily the case. We were suggesting that when that turnover occurs, it largely is within that three-month period.

**Mr. Chase:** Sorry. Was I correct in assuming that it was in the early stages of the employment turnover?

**Mr. Wilford:** Yeah. You had suggested we lose a lot of people at that point. We're just suggesting that when we do lose people, generally speaking it's within the three-month period.

**Mr. Shymka:** And that's true of any industry.

**Mr. Chase:** Okay. Could you give me a sense of what your turnover is and what benefits beyond wages you offer to keep your employees loyal, attached, providing the service that you feel is necessary for your customers?

**Mr. Wilford:** Certainly. Thanks for the question. I represent the Glenmore Inn in the south of Calgary. It's an independent hotel, and in many ways it's a pretty strong demographic for this city. We have a lot of hotels of similar size and scope. We offer, of course, generally market wages. That's the first thing. Michael had suggested 11 per cent. We're about 13 per cent that are either at or near minimum wage. Every single one of those are food and beverage servers that make tips as well.

Other things that we offer. We offer a benefit program for staff that work a minimum of 32 and a half hours per week. This is medical benefits and such of varying degrees, dental, things like that. Depending on the position, there is revenue sharing, a bonus or incentive structure as well.

**Mr. Shymka:** I'd just like to point out that I think the supply side of the equation has to be considered. Not every tourist can pay \$150, \$200 for a room. At our property a room is \$70. There has to be a basket of services or a basket of offerings. You know, people can't just come to Alberta and expect that: well, it's a booming economy; my expectation is that I have to pay a high rate just to get a hotel room.

Being in Forest Lawn in Calgary, we're on the other side of the spectrum. Our margins are much tighter, and our ability to have benefits is difficult to achieve given where we're at in the economies of our situation. I mean, throwing out a \$12 rate: I might as well just hand over the keys. It's not doable. I can't charge my customer \$90 for a room. That's the reality. Just like different parts of Alberta have different cost structures and such, that exists inside the Calgary economy as well.

**The Chair:** Thank you very much.

Mr. Marz, followed by Mr. Taylor, please.

**Mr. Marz:** Just a clarification on the entry level wage differential. Am I correct in assuming that you're wanting that to be at \$8.80, the current minimum wage that's set right now? That would be the entry level for trainees?

**Mr. Shymka:** Correct.

**Mr. Marz:** Okay. The other one, just some of the discussion around the jobs that entail gratuities. It would seem to me that this would be a disincentive for people that are in that trade already because most people tip, I believe, during average economic times 10 to 15 per cent depending on what that is. The consumer has to pay. If we lower the minimum wage for them, we're assuming the consumer is going to make that up, whether you charge it on my bill or whether I'm expected to tip higher to make up for the decrease in the minimum wage for the worker. I'm not sure that's going to work in the worker's favour in that particular situation.

Either way, listening to your logic, it seems to me that you're expecting the consumer to pay more, whether it's paying through tips or paying for that extra service for you to pay the extra wage.

**Mr. Shymka:** What I'm suggesting, I think, is that if you are

charging a higher minimum wage, those costs have to be absorbed into the cost structure of a business. As Perry said, the rate of increase was 33 per cent, yet the rate that we could increase in booming times was only 16 per cent. So you have a differential that somebody has to pay for.

**Mr. Marz:** If you're not paying for it, it's either the worker or the consumer.

**Mr. Shymka:** Well, I think that, first and foremost, prices have to be competitive. We can only charge our customer so much for a roast beef sandwich. The reality is that they can go to Saskatchewan, or they can go to the United States or anywhere in the world, which they're doing. We're not talking isolation here. This is a global market.

**Mr. Marz:** But if the worker that's getting the gratuity is getting less on the minimum wage side, to get the same, they would have to get a higher gratuity. They either take less, or the consumer pays more to give them that gratuity.

**Mr. Shymka:** But on the other hand we have people that are making minimum wage that are serving that are making more than our housekeeping staff and more than some of our managers.

**The Chair:** Thank you, Mr. Marz.

Mr. Taylor, followed by Mr. Hinman, please.

**Mr. Taylor:** Yeah. Just a couple of things here. Number one, I don't claim to have much experience in the hotel industry, but having had some children who have worked in the hospitality industry in various areas, it seems to me that an awful lot of establishments share the tips that the servers get with the back-of-the-house staff, with the kitchen staff, that sort of thing. It seems to me that one of the main arguments you're making in favour of a lower minimum wage for servers is so that you have more money left over to pay your kitchen staff a higher rate or your housekeeping staff a higher rate. I'm having a hard time squaring those two arguments.

**Mr. Wilford:** Perhaps I can speak to that. There is some traction to what you're saying. The first thing is that there are those examples out there where tip sharing, to speak to your first point, does occur with back-house staff. I can also tell you that there are equally as many examples of where that doesn't occur. In many cases the tips that staff get are shared amongst the front-of-house staff such as the host, the busperson, things like that, the ones that aren't directly getting those gratuities from the tables. Does that clarify?

2:15

**Mr. Taylor:** Okay. But it would be up to the management of the establishment to determine what the policy on it was going to be, right?

**Mr. Wilford:** That's correct.

**Mr. Taylor:** So the management could very easily say: tips are shared equitably throughout the establishment. Correct?

**Mr. Wilford:** You are correct there. I would also argue that the place down the road that doesn't do that will have the better servers wanting to work at their establishment.

**Mr. Taylor:** But you might have the better food.

**Mr. Wilford:** I may, but it all comes down to service, as we all know, doesn't it?

Certainly, on the ground in my establishment I would argue that, first of all, minimum wage is not that prevalent in my property, but we pay quite dearly for skilled kitchen labour, even down to dishwashers. Having the opportunity to have the waiters who still, even on a bad day, can make \$13 to \$18 an hour, being able to control that wage to some degree, the upfront wage, really helps us to be able to pay higher wages for really good talent in the back of the house.

**Mr. Taylor:** On the issue of differential wages for new employees to make up for that training period, three months, 500 hours, whatever it works out to be, different presenters now have made different pitches to us in terms of how long they'd request the training period to be. The Alberta Federation of Labour just made the point – and I think there's some justification to this – that when it comes to training, as a nation we don't have the world's best record in terms of our excellence of training in the early days when we hire new employees. My question to you – and I will ask this question of anybody else who comes along and asks us to recommend a differential minimum wage – is: what are you prepared to commit to in terms of training resources in exchange for the right or the privilege to pay your new workers less than you pay your seasoned workers?

**Mr. Wilford:** Well, across the board I think that would be pretty hard to implement, an association saying: you must do this.

**Mr. Taylor:** But you're asking us to do something across the board.

**Mr. Wilford:** Really, I understand your point, and in fact I understand where it comes from, but I must also say that we don't necessarily share the views of the previous presenter. In fact, we would argue that we represent a lot more employees that are directly affected by this issue than they would.

**Mr. Taylor:** That said, what kind of commitment are you prepared to make?

**Mr. Wilford:** What I would suggest is that we're prepared only to say that by being able to have that wage differential, we are able to funnel that money to other positions that so desperately need it as well. You're talking about training. Training is different at each place. Some people call a one-day training session their training, and I would suggest, just personally, that that's wrong. You need to train your staff.

What we're suggesting as far as a lower – I don't like the term "lower" minimum wage, just keeping the minimum wage where it is at this point for first-time staff and raising a three-month wage, for example. It's a two-way street. The people that have worked at my establishment for the last two years that may be making minimum wage: a bit of a respect issue there. If they have somebody they're going to have to carry for the next three months until they're trained making the exact same wage as they are, what does that say to that staff? That's one of the points I'd like to make about that.

**The Chair:** We still have one more speaker, one more question. We are out of time, so if you could make it really brief, please.

**Mr. Hinman:** I appreciate your remarks, Mr. Shymka, about the \$12

an hour minimum wage and that it would force you to close your doors. I was very intrigued, though, when you talked about the global market. Tourism, I think, is our fifth or sixth biggest industry here in Alberta. Do you have any numbers that you could provide to the committee on, I guess I want to say, increased tourism and attracting it? How competitive are we to other jurisdictions – Saskatchewan, B.C., Montana – that are close by? You referred to it. Do you have any numbers that you could later present to the committee on how competitive Alberta is in the tourism market?

**Mr. Shymka:** We could certainly commit to try, for sure.

**Mr. Hinman:** I appreciate that.

**The Chair:** Okay. Thank you very much for your presentation.

**Mrs. Sawchuk:** The next presenter is the Canadian Restaurant and Foodservices Association.

**The Chair:** Okay. I think I'll go through the same drill as I've been doing, just a quick general overview. You don't have to touch the microphones as they're being operated by the *Hansard* staff. Your presentation here today is part of the public record. Meeting proceedings are recorded and transcribed by *Alberta Hansard*. You will have 10 minutes for your presentation, followed by 10 minutes of questions. Please begin your presentation by introducing yourselves.

#### Canadian Restaurant and Foodservices Association

**Mr. von Schellwitz:** Okay. My name is Mark von Schellwitz, and I'm the vice-president, western Canada, of the Canadian Restaurant and Foodservices Association.

**Mr. Gonsalves:** My name is Lee Gonsalves. I'm a vice-president with Moxie's Classic Grill, Chop, and Shark Club here in the city of Calgary.

**Mr. Curran:** My name is Gerard Curran. I am the proprietor of the James Joyce Irish pub in downtown Calgary. I am also the chairman of the Canadian Restaurant and Foodservices Association.

**Mr. Thomas:** I'm Chris Thomas. I'm the labour strategies manager for Tim Hortons.

**Mr. von Schellwitz:** Okay. I'm going to do most of the presentation and most of the Q and A. I've brought these gentlemen to help out with the Q and A.

First, just a couple of words about CRFA. The Canadian Restaurant and Foodservices Association is the largest trade association in Canada and Alberta. We represent about 4,000 Alberta-based members, and we represent members in all sectors of the very diverse food and beverage industry here in Alberta. Our mission is to help members in all communities grow and prosper.

Alberta's \$8.4 billion food service industry brings jobs, investment, tourism, and a focal point for people to gather in all communities. The food service industry is a diverse, competitive, low-margin industry, where the average pretax profit margin is only 6.4 per cent, which works out to an average of \$51,000 in pretax profit per operator. A prosperous and growing restaurant industry is critical to the future growth and job creation in every community in Alberta.

We're one of Alberta's largest private-sector employers, with nearly 125,000 employees. For every \$1 million in sales we create



nearly 27 jobs, making these innovative entrepreneurs one of the top job creators in Alberta. We're also one of the few employers to provide a variety of job opportunities in every single community, and we're also one of the largest employers of youth in Alberta, with 42 per cent of our employees, which is about 52,600, under the age of 25.

We're also a very labour-intensive industry. Labour is a significant cost input for the food service operators in Alberta. More than one-third of every operating dollar goes to labour. Besides declining sales, restaurant operators in Alberta are also under increasing pressure from rising labour, energy, and food costs. For example, average weekly earnings in the food service industry have jumped 40 per cent since 2005 compared to a 28 per cent increase in the provincial average. The minimum wage has also increased by more than 25 per cent since 2005, which is more than double the rate of inflation, at 9 and a half per cent.

In 2009 the minimum wage hike alone cost Alberta's food service industry \$49 million, which works out to roughly \$7,000 a year per operator. The highly competitive food service industry combined with price-sensitive consumers doesn't allow the food service industry to increase menu prices enough to fully compensate for a labour cost increase. The result is that escalating labour costs fuelled by minimum wage increases since 2004 and a tight labour market have led to reduced hours of work and the closure of more than 1,100 food service establishments throughout the province. As you can see on the next slide, we went from a high of 9,868 establishments in 2004 to just 8,699 last year.

CRFA applauds the government's decision to freeze the minimum wage in 2010 and to conduct this review. Now is not the time to increase the minimum wage. Toronto Dominion Economics predicts a 7 and a half per cent unemployment rate in 2010, the highest level since 1995. While moderating to 7 per cent in 2011, it's still double the unemployment rate in the full employment era of 2002-2008.

A few comments on minimum wage as an antipoverty tool because I know you've heard a lot about that. The goal of alleviating poverty is an important one, but using the minimum wage as a tool in this battle is a lose-lose strategy. As other wages rise to keep pace with a higher minimum wage, the cost of basic goods and services rises as well. At the same time, employers in labour-intensive industries are left with little choice but to control costs by cutting back on their staffing levels, and entry-level job opportunities are typically the first casualties.

The vast majority of empirical research indicates that increasing the minimum wage too high too fast actually worsens the situation for those living in poverty. A 2006 study for the government of Canada concluded that minimum wage is "an exceedingly blunt instrument for dealing with poverty, and may actually have a perverse effect, exacerbating poverty." Numerous other studies have found that a 10 per cent increase in minimum wage leads to a 2 and a half per cent decrease in employment for teenagers.

## 2:25

Tax exemptions are a far better solution, as demonstrated by a January 2008 report from the Frontier Centre for Public Policy. They examined the question "Which best helps the poor: minimum wages, tax credits, or tax exemptions?" and their conclusion was very, very clear. They actually conclude by saying that "minimum wages create distortions in the labour market that have their own harmful effects. The worst of these is forbidding the least skilled from sharing in the dignity of work."

Who are minimum wage earners? In the restaurant industry more than 80 per cent of minimum wage earners are young people between the ages of 15 and 24, with most still in their teens. Three-

quarters of minimum wage earners work part-time, and many also earn tips that push their income well above minimum wage. Far from living in poverty, these minimum wage earners are more likely living at home and working part-time to gain job experience, work skills, and extra income to further their savings for education.

What we're advocating here today is a new approach to minimum wage policy. CFRA recommends that the current policy of linking minimum wage to the previous year's average weekly earnings be eliminated. If the government wishes to tie minimum wage to an economic indicator, we recommend using the midpoint of the Bank of Canada's target inflation rate, which is currently at 2 per cent. We also recommend that both training and gratuity wage differentials be introduced and that a minimum of six months' notice before a minimum wage increase is implemented be provided.

The problem with linking minimum wage to average weekly wage is that it's based on the previous year's annual weekly earnings. It doesn't reflect current labour market conditions, and 2009 is a prime example of that, where on April 1, 2009, we had an increase based on a 2008 labour force, and of course 2009 was a very different situation. It provides much uncertainty in the labour budget planning process, it does not allow adequate time to adjust labour budgets and implement increases, and average weekly earnings are significantly outpacing inflation.

The benefits of using the midpoint of the Bank of Canada's target inflation rate as an indicator are that it protects minimum wage earning purchasing power, provides more certainty in labour budget forecasting, is already used by many employers as the basis for wage increase, allows operators to implement price increases in small increments that do not erode the customer base, and it allows the government to provide at least six months' notice to plan minimum wage adjustments.

Now a few comments on the differentials. A proposed training wage differential would freeze minimum wage at a current level for new workers entering the workforce for the first time following the next minimum wage increase. After three months or 500 hours of on-the-job training new hires progress to the general minimum wage. This is in place in Nova Scotia, Ontario, and British Columbia. Many employees will increase in wage quicker than that once trained to existing employee levels, with more opportunities for higher wages as experience is gained.

Why are training wage differentials important? They're an important incentive to encourage employers to hire and train new employees with no work experience, encouraging youth employment, especially in soft labour markets, and it recognizes the importance of training new employees. It encourages employers to take the time to train properly and highlights to new employees just how important training is to working safely and professionally. It provides employees with a sense of accomplishment when their training period is complete.

With respect to the tip differential, we advocate freezing the minimum wage at the current level for employees earning gratuities following the next increase in the general minimum wage. Ontario and Quebec have implemented these differentials. Alberta could adopt the Ontario model, where a tip differential applies only to those who serve liquor directly to customers as a regular part of their employment. This approach gives employers the financial flexibility to pay higher wages to harder to attract and retain back-of-the-house employees, who don't earn tips. This is very important in addressing future labour shortages.

A tip differential recognizes the significant income earned by serving staff, and it has benefits for employers, employees, and customers. For employers it moderates some of the negative impacts of future minimum wage increases, and it provides more labour

budget dollars to attract and retain nontipped employees. For employees it protects the number of hours worked and the total income of tipped earners, and it allows employers, again, to pay back-of-the-house employees more. For customers it provides lower prices and better service.

What employees would receive a tip differential? In our model, if you use the Ontario model, it would be bartenders and servers who directly serve alcohol directly to customers in licensed establishments, but it would exclude hostesses, busers, quick service counter attendants, food-only wait staff, and kitchen staff.

It's also important to understand that the average worker – and this is based on older data – conservatively earns about \$7.73 in tips plus their minimum wage, for an average total of \$16.53 an hour. A gratuity wage will also have a very minimal impact on employee benefits. There's a chart there which shows what the impact would be on EI benefits, CPP benefits, and annual vacation pay.

In conclusion, Alberta needs to consider more flexible, creative, and targeted approaches to the minimum wage, like the four recommendations we're making to you here today. We've taken the liberty of including some Q and As on differentials for your information.

Thank you.

**The Chair:** Thank you very much.

We've got a list of speakers beginning with Mr. Chase, please.

**Mr. Chase:** I have trouble buying the argument that the justification for a minimum wage is that the majority of servers are young people basically augmenting allowances, living in their parents' houses. We had a presentation from a chap from ASEC, which is the postsecondary colleges organization. Those students who are in postsecondary have seen their tuitions, their cost of materials and books, and so on go up. So it's the young people, and we're doing them a favour by giving them a job: I don't see that as an argument for lower wages.

You mentioned that what happens is that the organization that's having trouble starts to reduce their employees. Well, that's a self-fulfilling circumstance. If you don't provide the service, people aren't going to come to the establishment. I would suggest that service is as important if not more important than the food in terms of having people come back.

My question is: what percentage of your employees work in your institutions for longer than a year?

**Mr. von Schellwitz:** A considerable amount of our employees. In fact, most employers want their employees to stay over. One of the difficulties we have in our industry is the turnover that does happen because you've got students, people that are moving on in their careers, people that are studying. They're moving away. You also have a very difficult time trying to pinpoint what that turnover is because you have many circumstances where somebody will quit in January, start again in April, quit again in September, come back. So how do you calculate? They're still an employee, but they're very much part-time, in and out of the industry, for the employer.

Just on the other thing. We have a lot of fixed costs in our industry. The only thing where we've got some flexibility is our labour costs. When those sales are down, the only choice that we have is to reduce our hours of work for our staff when we come up to these crunches. It's a very low-margin industry.

I don't know if any of my colleagues want to jump in on that question.

**Mr. Gonsalves:** I can validate that completely. I mean, in our

operations the bottom line is, you know, that the money has to come from somewhere. We wouldn't necessarily have the time to go and update menu prices, depending on cycles of menus, food development, that type of stuff. So the reality is that if labour costs go up, we've got to adjust. Generally those happen early in weeks – Sundays, Mondays, Tuesdays – when the sales also would obviously be a little bit slower. But at the end of the day more labour means less people on the floor, so less jobs available. That's the bottom line.

**The Chair:** Thank you very much.

Mr. Taylor, followed by Mr. Hinman, please.

**Mr. Taylor:** Thank you, Mr. Chair. Tell me: what happened in 2004, between 2004 and 2005, that you went from your peak of 9,863 – I was going to say restaurants – food service establishments in this province down to 500 fewer the next year? What do you attribute that to?

**Mr. von Schellwitz:** There are a number of factors. Part of it is increase in costs. The first big minimum wage increase, I believe, was that year. Also, this was the beginning, I think, of the labour shortage thing where a lot of people were saying that looking out a year or two from now, they're just not going to have the labour to fulfill it. In fact, we heard of circumstances in 2005 where you had people already signing leases to go into new businesses, but then they walked away from it because they weren't going to find skilled labour, especially on the back of the house. The front of the house has never been a problem attracting labour for because those employees are working primarily for tip income. The real difficulty was getting the labour dollars in an inflationary environment to pay those back-of-the-house folks.

2:35

**Mr. Taylor:** I'd be very curious if you could provide the committee with a breakdown between those two main factors that you mentioned first, the impact of that first big minimum wage increase versus the impact of the onset of the boom and people walking away from leases and so on and so forth. Because if this is a question of, you know, quite a number of restaurants shutting down because of what they thought they saw in the future in terms of labour shortages and so on and so forth, that will paint for the committee, I think, quite a different picture than if it turns out to be a minimum wage issue.

Perhaps this is your chance to shoot holes in the statistics that the Alberta Federation of Labour has provided for us, but they pointed out that in 2005-2006, one year after that first big minimum wage hike, 26,700 more Albertans were working in the food and beverage service and travel and accommodation industries than before the increase took place. Now, notice I said that they lumped service, travel, accommodation in there with food and beverage, and you guys are only food and beverage, but, you know, something's not adding up here. One of these things is not like the others.

**Mr. von Schellwitz:** Right. I don't know where Mr. McGowan got those numbers from, but we can certainly look into that and get back to the committee with more information.

**Mr. Taylor:** Thank you. I'd really appreciate that.

**The Chair:** Mr. Hinman, please.

**Mr. Hinman:** Well, thank you. That's kind of what I wanted to

address. It seems like we live in the information world, but more often than not it seems like it's misinformation. You have research that concludes that a minimum wage is a poor antipoverity tool. Your last bullet was, "Other studies have found that a 10% increase in minimum wage leads to a 2.5% decrease," but I see no reference. It would be very helpful if you could get some references.

**Mr. von Schellwitz:** I've got a whole list of them. The thing is that with the little time that we had, I couldn't get into all the different empirical studies, but I have a whole bunch of them here. I can certainly provide those by e-mail to the committee, or I can certainly give you copies of what I have here in front of me as well, which are a number of different studies.

**Mr. Hinman:** E-mail would be great. Like I say, to go back, there's always this discrepancy between numbers, and it's always good to hear from the actual industry that's . . .

**Mr. von Schellwitz:** From the academics and economists that are coming up with studies. I agree.

**Mr. Hinman:** Yes. We would appreciate that.

**The Chair:** Sir, you can e-mail them back through the clerk for the benefit of all members.

**Mr. von Schellwitz:** No problem. Yeah, we'll do that.

**The Chair:** Thank you very much.  
Mr. Lund, please.

**Mr. Lund:** Thank you, Mr. Chairman. When you were talking about the differential, if I understood you correctly, you were suggesting that for training purposes we would stay with the \$8.80 current minimum wage, but I didn't catch what exactly you were recommending would happen with the others. How is the minimum wage going to be affected for those that have gone through the training period?

**Mr. von Schellwitz:** Once they're finished their training period – the three months, 500 hours, which is, I think, in Nova Scotia and B.C. the way it works – they go to the general minimum wage. That's the way it works in those provinces. It's also a tool that works really well in soft markets when there is a real labour shortage. For example, in British Columbia very few people actually use it because the labour demand, the market clearing rate, is much higher than that, but it's still a very effective tool in the situation that we're in now. When unemployment is higher, it does provide that extra incentive.

I guess I should clarify one other thing. You probably already had this in your research. Right now the average spread between these differentials in Ontario is about \$1.35; in Quebec I think it's around the same; in Nova Scotia it's a little bit less; in B.C. it's \$2. So there are a number of different spreads, but they work out to be around \$1.50, where the spread is. Once you hit that \$1.50 spread, then everybody progresses at the same rate when the minimum wage increases.

**Mr. Lund:** How would you recommend that that number be established, the bottom number?

**Mr. von Schellwitz:** Basically, we're not advocating that anybody roll back minimum wages. We just think that when minimum wage

is next increased, that's the time to implement these differentials, keep them at the current wage.

**Mr. Lund:** How would that increase be determined?

**Mr. von Schellwitz:** Sorry. Which increase? The general minimum wage increase you are talking about?

**Mr. Lund:** Yes.

**Mr. von Schellwitz:** What we're advocating is that we get rid of the approach about tying it to the average weekly earnings from the previous year. If you want to use an indicator to tie it to, use the mid-range target of the Bank of Canada, which is currently 2 per cent, as the target inflation rate.

**Mr. Lund:** Okay. Yeah. Keep that \$1.35 spread.

**Mr. von Schellwitz:** Exactly.

**The Chair:** Thank you very much, Mr. Lund.  
Mr. Fawcett, followed by Mr. Bhullar.

**Mr. Fawcett:** Yeah. Thank you, Mr. Chair. Just quickly. I appreciate that presentation. I just want to follow up I believe it was on Mr. Taylor's comments, and I guess it would be good to hear from industry's standpoint. I mean, obviously, I know from hearing from businesses in my constituency, particularly during the last boom that we just went through, that some of the biggest challenges were resulting from a labour shortage.

Often we hear in business circles: well, you know, we need to pay more to attract people, to attract quality people and attract the people that we want. How does that tie in, in your opinion, to creating the balance between making sure that we have a minimum wage that attracts people to Alberta and allows them to enjoy a comfortable lifestyle while not creating a minimum wage that's too high that it becomes a barrier for business, knowing that if it's too low, you could be just artificially inflating the rate because we don't have enough workers here because they don't want to come here because the minimum wage is too low? How do you think the government should go about finding that balance?

**Mr. von Schellwitz:** I'll take the first crack at that. What all the empirical research shows is that sort of once you go above that market clearing rate for minimum wage – and in 2006 to 2008 the market clearing rate was clearly above the \$8 minimum wage, or \$8.40 I think it was during that time frame. The problem is that once you artificially increase that bottom line, it ratchets up all the way through the payroll system, which makes it more and more difficult.

One of the big problems we had during the labour shortage was not attracting those people that we paid the minimum wage, which were the front-of-the-house people, because they're really there to work for their gratuities. That's what really gets them, and they want as many hours as they can get to earn their gratuities. Where it really hurt us is in the back-of-the-house employees we couldn't find because we couldn't afford in a lot of cases to attract talent here for the back-of-the-house employees, the chefs and the cooks and everything like that. So the difficulty is that when you are increasing minimum wage arbitrarily too high too quickly, it prices us out of the market.

I think it goes back to the earlier question. That's where we get into difficulties where people have to close down because they simply can't find the staff because they can't afford the labour.

Again, it goes also back to the point that there's only so much that we can increase our menu prices by without losing customer share. That's sort of the dilemma that we were in. So my answer to your question would be very much that you don't want to raise it too much above that market clearing rate. In a heated economy that market clearing rate goes up, but in a soft economy it goes down. Where we were really hurt last year is where you were using information from the previous year's hot labour market and imposing an increase in a down labour market.

**The Chair:** Thank you very much.

Two more speakers and almost no more time. Mr. Bhullar, followed by Mr. Marz, please. Just short remarks, please.

**Mr. Bhullar:** Thank you. I'll be brief, and I'll just ask two questions, then. My objective is to keep Albertans employed and help ensure that we have meaningful employment for Albertans. How will abolishing what was the current system of being tied to the average weekly earnings change reliance on temporary foreign workers?

**Mr. von Schellwitz:** That's a very, very good question. I think that that is a much more complicated question. That goes back onto demographics on just how many people are entering the workforce going into the future. I think what will happen, though, is that average or just tying to inflation, which is our recommendation, which is how our wage increases normally go anyway, is the way to make sure that you're having a stable marketplace.

As far as temporary foreign workers are concerned, that's going to be a situation I think we're going to face again in the future. But the difficulty is that if you arbitrarily raise minimum wage too high too quickly, you're going to have that same situation that we had in the past, which is you can't afford the people in the back of the house. Remember, it's a ratcheting effect, so not only did you have the labour pressure point of a labour shortage, but you also had minimum wage increases, which exacerbated that labour inflationary measure.

**Mr. Bhullar:** Very well. I know this is a discussion that needs to continue on. We probably don't have the time for it. But, essentially, my concern would be that we keep minimum wage static or with small increases, and that's what, we have industry saying, we're willing to pay for such occupations. That means a Canadian employee says, "You know what? I don't want to work for \$8.80" and increases our demand on saying: "Hey, we can't find anyone for \$8.80. Give us more temporary foreign workers." So there are some policy gaps there that I think can be detrimental to Albertans finding work which I think we need to work out.

The second would be – and I've heard this on a few occasions from people, not so much recently. It's been some time. I'm trying to recall the name of the department. I don't know if it was a federal department that was offering this, but they were helping subsidize wages – it may have been a while ago now, to be quite honest with you – for folks that were re-entering the workforce or something of that sort. There was a trial period of about three months. What would happen towards the end of the three months is that everybody who was subsidized was not rehired so that those companies could then get another subsidized worker from the government or whatever it was.

2:45

So I guess my concern of the differential piece, which I, to be very honest with you, like – I like the differential idea – is: how do we

protect the worker and ensure that we don't have employers just flipping over training folks to save some money?

**Mr. von Schellwitz:** I'm going to let my colleagues answer that because they're in the industry, and I think they can answer this better than me.

Just a couple of quick points. One is that the average weekly wage in our industry rose by 40 per cent in the last few years relative to the provincial average, so it went up. Temporary foreign workers don't come in at entry-level wages. They come in at an experienced wage level, which is considerably higher than minimum wage, so it really is a last resort for us when there's no labour available. But the difficulty was that it compounded a problem for our industry when we had minimum wage rates that increased that inflationary demand considerably.

I don't know if any of you want to add any comments on that. Chris probably is our expert here on foreign workers.

**Mr. Thomas:** Sure. I'll talk a little bit about the training as well. In terms of the training programs that are out there for a lot of people, what you see throughout the industry is a lot of retention issues right at the very start of employment, literally within the first week to three weeks of employment. It's not even into the first three months. You find people that come into the industry that aren't prepared for the level of service that's required. They're not ready for the pace. They're not interested in the hours. So you find that the turnover rate is very, very high at the start, but as you get further into it, the person finds out that they like this type of job, they like the pace, they like dealing with customers, right? Your retention rate starts to go up very quickly with it from there.

What we would see in programs like this where you'd have people coming in on a training wage, you would probably see more people go through it at the initial stages, but how many of them would last past the initial two to three weeks probably wouldn't be any lower than it is right now. You would see that increase to occur.

**Mr. von Schellwitz:** We're not in favour, by the way, of any sort of employment programs. Those training programs in the past have proved to be not very worthwhile. The people you're getting in are usually not people who are wanting to stay with you in the first place. So we don't advocate these youth training programs and some of the things that the federal government has done in the past. There's a lot of red tape to actually apply for these programs, and in the end they're not very effective.

**Mr. Bhullar:** Thank you.

**The Chair:** Thank you very much.

One more speaker is Mr. Marz, please.

**Mr. Marz:** Very quickly. A gratuity differential. I'm having a hard time understanding why government would want to try to solve a problem for the whole industry that the industry could solve themselves with their own policy from one business to the other. One size doesn't fit all. One regulation certainly isn't going to make everybody happy. You can solve this, as far as I'm concerned, with just your own policies and sharing these differentials within your own business. Why do you need government regulation? Convince me.

**Mr. von Schellwitz:** First of all, I have to correct our previous speakers. Most tip pool arrangements are voluntary between the staff. In fact, if they are not voluntary and if they're mandated by

the employer, they're no longer considered gift income by the CRA. They're then considered wage income. So most of those arrangements are not mandated by the employer. They're actually things that are done voluntarily by the staff themselves. It's a very small percentage. I think the average, I hear, is about 4 per cent. So 4 per cent of a server's gratuities would go to pay the busers and the back-of-the-house folks, so it's not really helping them a great deal.

**Mr. Marz:** So why can't you mandate it as an employer?

**Mr. von Schellwitz:** I think, then, that gets through the whole thing. The whole point of tips is for service and for making sure that these people are providing good service to the customers. If you start mandating service charges, I think service will suffer. Something our folks aren't willing to see happen is that their service suffers by a mandated sharing of gratuities, for example.

I don't know if anyone wants to jump in on that.

**Mr. Curran:** I think you have to understand on the tip pool itself that it's a way to bring the front end and the back end together. Unlike Europe, where there are not as many tips and you see a disconnect between the front end and the back end, here the tip pool works. Hostesses, bartenders, servers, and kitchen staff all work together to get tips, and it makes it a solid team. Tips really do help our industry.

**Mr. von Schellwitz:** The gratuity earners themselves actually don't mind. What their main interest is is getting the hours of work. If their hours of work are going to be cut back because of their labour budget, they'd rather get those hours of work because they're really working for those tips. In many cases they don't even pick up their actual wage income for several months.

**Mr. Marz:** I'm hearing two different things. I'm hearing, one, the tip pooling works and from others that it doesn't work so well.

**Mr. von Schellwitz:** No. I think tip pooling works, but what you've got to remember with tip pooling is that it's voluntary. It helps to improve the service. But it's a voluntary arrangement, and it's only a small, small percentage of the tips that goes to those other employees.

**The Chair:** Thank you very much, gentlemen, for your presentation.

Committee members, I'm being asked to ask for about a seven-minute health break if it's okay with everybody here. Okay? Thank you very much.

[The committee adjourned from 2:50 p.m. to 2:58 p.m.]

**The Chair:** Ladies and gentlemen, welcome back. We're ready to begin.

**Mrs. Sawchuk:** The next group is the Calgary Workers' Resource Centre.

**The Chair:** Just a quick overview while you're getting settled. You don't need to be operating the microphones as they're being operated remotely. Your presentations today are part of the public record, and the meeting proceedings are recorded and transcribed by *Alberta Hansard*. You have 10 minutes for your presentation and 10 minutes for questioning. Please begin your presentation by introducing yourselves.

## Calgary Workers' Resource Centre

**Mr. Cattarinich:** Mr. Chairman, members of the standing committee, my name is Xavier Cattarinich, and I'm the interim director of a nonprofit organization called the Calgary Workers' Resource Centre. Presenting with me is Nick Lepora, who is the president of the Calgary and District Labour Council. Michael Toal was with us a few minutes ago but had to depart in a hurry and sends his regrets, as he was already considerably behind schedule to attend another meeting. He will send his comments via e-mail to the clerk. I would like to thank you for holding these public consultations and for allowing the Calgary Workers' Resource Centre and its associates to share their thoughts on Alberta's minimum wage policy and on the direction that policy should take.

I would first like to remind the committee that according to Alberta Employment and Immigration's own statistics 52 per cent, and therefore more than half, of minimum wage earners are aged 25 and older; nearly half, 46 per cent, are employed full time; 75 per cent are in permanent positions; nearly 20 per cent have more than five years' work experience, and 42 per cent have between one and five years of work experience; and 28 per cent have a postsecondary certificate, diploma, or degree. Those statistics debunk the popular myth that the vast majority of minimum wage earners are adolescents with limited skills who work part-time and live at home with their parents and, therefore, do not need to earn a living wage. The wage profile also overlooks other important demographic characteristics, including a disproportionate number of aboriginal peoples, immigrants, many temporary foreign workers, and workers with disabilities who work in minimum wage jobs.

A minimum wage worker who works 35 hours per week year-round would fall more than \$6,000 short of the Statistics Canada low-income cut-off. We think that's completely unacceptable, unethical, and creates all sorts of socioeconomic problems for low-wage workers, their families, and society more generally.

The position of the Calgary Workers' Resource Centre in a nutshell – and I've provided a fairly detailed report, that I believe you have, which is referenced with all our data sources. Basically, our recommendations are the following: that the government of Alberta should take steps to incrementally transform the minimum wage into a living wage by gradually increasing it every year over the next three years until it reaches the level of LICO for a large urban centre based on a person working full-time full year and afterwards indexing it to annual changes in the consumer price index for a city the size of Calgary. Other provinces like Nova Scotia and Saskatchewan have already adopted a broadly similar approach. It's not a perfect system by any means, but then again which one is? I think it's so far the best one to bring the status of low-wage workers up to par with LICO.

Even then reaching LICO is far from a life of luxury, I can assure you, but at least it would help the working poor to afford the necessities of life without having to work long and unreasonable hours at multiple jobs. Alberta, incidentally, has more multiple job holders than the national average; 6.3 per cent of employed Albertans held two or more jobs in 2007. That's according to Statistics Canada.

A living wage provides a hand up, not a handout. We're not looking for more handouts here. Dignity from one's own work. While a living wage alone will not eradicate poverty, it is a necessary component of an effective poverty reduction strategy. Employers who profit from rock-bottom wages pass the cost to the government and taxpayers in other ways, including increased health and social service costs. Again, we think that's both unacceptable and unethical.

Secondly, we would discourage the government of Alberta from introducing a training wage differential. British Columbia has the lowest training wage in the country at a dismal \$6 per hour, yet that did not stop their youth unemployment rate from exceeding 15 per cent during the recession. Conversely, Manitoba and Saskatchewan have no training wage. Both provinces increased their minimum wages during the recession, and they have the lowest unemployment rates for youth and adults in the country, their youth rates being at or under 10 per cent. This suggests that the relationship between wage increases and unemployment among youth and low-skilled workers is much more complex than the equation that minimum wage increase equals large-scale job losses. The disemployment effect of minimum wage increases seems to be exaggerated in that case.

The free market theory that low training wages will encourage employers to hire or retain young workers failed in B.C. during the recession, and the Manitoba Labour Management Review Committee itself concluded that minimum wage increases have not been the predominant factor causing unemployment in Manitoba when it recommended another minimum wage increase for October 2010. These conclusions are broadly supported also by international studies of OECD countries, including Canada, which also show that minimum wage increases, given the level at which minimum wages currently are, ultimately have very little impact on unemployment among low-skilled workers.

Third, we would also discourage the government of Alberta from adopting a tip differential. First, tip amounts can be unreliable. Second, women account for 59 per cent of employees in the accommodation and food services industry in Alberta and probably a higher proportion of food and beverage servers. Tip differentials, therefore, would disproportionately target women, who already are overrepresented among the province's minimum wage earners and part-time workers, often – not always, but often – working part-time not by choice but by necessity. Women currently earn only 66 per cent of what men do overall in Alberta. A tip differential would only be setting women in low-wage jobs further back in the province that has the greatest gender-based wage differential in Canada. Also, tips seldom factor into insurable earnings for EI purposes. In some cases they do, but often they don't. That extra income certainly isn't factored into EI benefits when people become unemployed in a downturn.

There are other recommendations in our paper, which I hope you'll take the time to read and consider. In the meantime, I'd like to hand the floor over to my colleague Nick Lepora.

Thank you.

3:05

**Mr. Lepora:** Thank you. Nick Lepora, Calgary and District Labour Council. Just a short submission. Alberta's economy is still the most robust in Canada, yet the minimum wage paid here pales in comparison with most other jurisdictions in this country. At \$8.80 an hour Alberta's minimum wage is set lower than Manitoba, Newfoundland and Labrador, the Northwest Territories, Nova Scotia, Nunavut, Ontario, Quebec, Saskatchewan, and the Yukon. What is it about the economic situation or the employers in those areas that they can afford to pay more to working people at the bottom of the economic ladder than we do in Alberta? Are their employers smarter or more efficient than ours? Are their economies stronger? I think the answer is no.

A single person working full-time at minimum wage in Alberta does not bring in enough money to stay above the poverty line. In fact, that worker earns several thousand dollars per year less than the low-income cut-off line. If that worker has to support a family, the economic picture becomes even more desperate.

Meanwhile, we know that two-thirds of those earning low wages are women, and we also know that many of the children in this province living in poverty are in families where at least one parent works. So much for the concept that our society puts women and children first. Clearly, that doesn't apply here.

Alberta's lowest paid workers deserve a raise, and they need a raise more than anyone else in the province. Alberta employers are better placed to afford this than the employers anywhere else in Canada. Setting minimum wage at a level that allows workers to avoid the poverty trap and ensuring annual increases linked to the average weekly earnings index would be a key strategy in fighting poverty in Alberta. It's the right thing to do, and Alberta is better able to afford it than other jurisdictions. Poverty increases government spending on health care, welfare, and crime, and this eventually is paid for by the taxpayer.

At the very least the Alberta government should reinstate annual raises linked to the average weekly earnings index, as is done for MLAs' salaries. To avoid having its working citizens pushed into poverty, it should increase the minimum wage to \$12 per hour. Increasing the minimum wage will put money in people's pockets, benefit the economy by decreasing the need for expensive subsidies, and give people a real sense of worth for their labour.

The mean-spirited cancellation of the planned 12-cent per hour increase to the 2010 minimum wage was a disgrace. We can do and must do better for our citizens. Calgarians and all Albertans deserve to be paid a living wage for working hard.

Thank you very much.

**The Chair:** Thank you very much.

We've got speakers beginning with Mr. Chase, please.

**Mr. Chase:** Well, first off, as a former teacher of 34 years I very much appreciate you substantiating your information with a bibliography because we have the opportunity to look up and further reference what you've said. You've substantiated what you believe in, so a hundred per cent, gold star on that particular effort.

The other thing that I very much appreciate is your debunking of the notion that the majority of people on minimum wage are 15- to 17-year-old high school students who are basically adding to their allowance or their clothing budget. It's far from the reality. As you pointed out, 60 per cent plus are women, and that's their major source of employment.

Another large portion of those employed with minimum wages are students who are reliant on that employment because of the nature of their studies. The only type of employment they can get is part-time, and the service industry provides it.

I thank you very much, and I will leave it at that.

**The Chair:** Thank you very much.

Ms Woo-Paw, please.

**Ms Woo-Paw:** Thank you, Mr. Chair. My first question, actually, is to Dr. Massolin at the back. If you could remind me in terms of the ranking – a few presenters have made comments around where Alberta stands in comparison to other jurisdictions in terms of minimum wage rate. I believe that it presents a difference after tax. Where do we rank after tax?

**Mr. Cattarinich:** If I may answer, I believe that we are third after tax. However, that does not take into consideration the cost of living in Alberta, which is considerably higher. It's almost a meaningless figure to say it's the third after tax if you're not factoring in the consumer price index costs.

**Ms Woo-Paw:** So we're about third after tax?

**Dr. Massolin:** I can confirm that Alberta ranks third after tax and lower before tax. Of course, those are comparable measures in terms of the real dollars versus sort of the before-tax dollars. That's the appropriate comparison to make, in my opinion.

**Ms Woo-Paw:** Okay. Thank you.

Just two questions, hopefully fairly briefly. I just wanted to check with you about your stance on the differential rates. I think that in a number of provinces that only applies to people who serve liquor, not general servers.

**Mr. Cattarinich:** We see it differently. I don't think that they're warranted. Looking at the fact that nearly 60 per cent of servers, if not more, are women, I think that we are disproportionately discounting the wages of women once again. It doesn't sound like much, but if you do the math – I mean, some of the folks from the other business associations were commenting differentials of \$1.35. Well, even if we said it was just a dollar, if the person works full-time, say, assuming a 35-hour week, that's \$140 a week that you're discounting from their paycheque.

These are relatively low-wage earners even when they make their tips. I wouldn't call them wealthy by any means, so I don't think there's a need for this. I don't think that passing these costs off – once again, I think there were some very good remarks made by some of the members of this panel that ultimately we're trying to get customers to pay the wage of these employees rather than the employer paying the wage themselves.

**Ms Woo-Paw:** Well, thank you for your view. My last question is around poverty reduction. Of course, your organization is one of the ones that links the issue of minimum wage to poverty reduction. Now, I believe British Columbia is one of the groups that have a poverty reduction strategy if I remember correctly. They do have a relatively low minimum wage rate, and they choose to address the issue of poverty through social programs. I'm just wondering whether you are familiar with what's happening in British Columbia. Are there things that you think that Alberta should look at?

**Mr. Cattarinich:** Well, I have to confess that I'm not familiar in depth with British Columbia's poverty reduction strategy. However, from what I've heard, some of the child poverty levels in British Columbia are higher than elsewhere in Canada despite their strategy. So I would think that there are gaps and weaknesses therein.

I mean, I'm not going to peg all of that on low minimum wage and low trainee wages. That's not the only thing here that we're talking about. At the same time I think it's an important part of the overall picture of poverty. I mean, clearly, increases in minimum wage don't help people who are unable to work. On the other hand, you're going to have a hard time convincing me that if you pay somebody at less than the minimum wage and you have them working full year, full-time – they could be the greatest budgeter, but even then they will not be able to make ends meet at the end of that after having worked full-time at that minimum wage. They're still going to be living in poverty if they're supporting themselves. There's clearly a role there to be played. It will not eradicate poverty, but it's certainly part of the overall, I think, broad approach to reducing it.

**The Chair:** Thank you very much.

Mr. Taylor, go ahead, please.

**Mr. Taylor:** An ethical question and somewhat of a hypothetical question, I guess. Some of the presenters have argued that if we were to put the minimum wage up to the level where it would actually boost wage earners above the LICO, above the low-income cut-off, at about \$12.20 an hour, that would have a negative impact on employment. Some have just said that any increase in minimum wage will have a negative impact on employment, and certainly that argument has been disputed as well. But let's say there is a situation in which, at \$12.20 an hour, for instance, it has a negative impact on employment and some people lose their jobs so that others can live above the poverty line. Is that justifiable?

**Mr. Cattarinich:** Well, I mean, again, as you suggested yourself, the research evidence is mixed on this. We have a lot of research that says one thing and a lot that contests it. I think a lot of that depends on methodology, on data sources, as well as on – let's be honest – political bias from both sides. So when it comes to increases, we're not advocating for an immediate, instant increase. This is something that has to be incremental.

Now, the possibility of some job losses: of course, that's always a possibility. But if you look at the figures, especially among the service sector, the accommodation and food services sector increased jobs by 12,000 or 14,000, I believe. It was, if I recall, between 2009 and over 2008. Even in a period of recession we're seeing increased jobs there.

**Mr. Taylor:** Yeah. I think your numbers are a little high, but you're in the ballpark. They told us last week in Edmonton that they added 8,600 jobs in that period of time.

3:15

**Mr. Cattarinich:** Okay. I might be off by a little bit. I think I cited – they might have been slightly outdated in that case. Regardless, in a recessionary period we saw an increase.

Overall, yes, some jobs may be shed, but the service sector is the fastest growing component and the largest one of both the Canadian and Alberta economies. I mean, ultimately, some jobs may be lost. Ultimately, others will be regained somewhere else, especially in that kind of a growing sector. While I don't wish any employers any financial hardship, I don't want anyone to go out of business, and I certainly don't wish unemployment on any of their workers, at the same time these are inevitable aspects of reality. Whether you have minimum wage increases or not, some businesses go out of service. But I think, in this case, if we're making a case for a business model that depends on paying people less than a living wage, I think there clearly is an ethical dilemma, and the fact that, ultimately, the taxpayer and the government end up picking up the tab in other ways in terms of increased reliance on social and health services is even more unacceptable.

**Mr. Taylor:** Underpaid work is not dignified work.

**Mr. Cattarinich:** Absolutely.

**Mr. Taylor:** Thank you.

**The Chair:** Thank you very much. There are no other questions. Thank you.

**Ms Woo-Paw:** Can I ask one, then?

**The Chair:** Okay. If you insist.

**Ms Woo-Paw:** I don't know if you were here when the last presentation recommended, instead of increasing the minimum wage according to the weekly earnings, using last year's midpoint average from the Bank of Canada. Do you remember that recommendation?

**Mr. Cattarinich:** Yeah, vaguely. Someone else mentioned what we agree with, that ultimately you're using a national indicator for a provincial wage, which doesn't make sense given the fact, once again, that Alberta has a higher cost of living than most other provinces. So I don't think that using one indicator across the country applies to – it's a different set of questions, really.

**Ms Woo-Paw:** Okay. Thank you.

**The Chair:** Thank you very much for your presentation. There are no further questions.

**Mr. Cattarinich:** Thank you.

**Mrs. Sawchuk:** The next presenter is the Women's Centre of Calgary.

**The Chair:** Just a few quick remarks. I should be getting pretty used to them by now. You don't need to touch the microphones as you're speaking. They're operated remotely. Of course, your presentations today are a public record. The meeting proceedings are recorded and transcribed by *Alberta Hansard*. You have 10 minutes for presentation, followed by 10 minutes of questions. Please begin your presentation by introducing yourselves.

### Women's Centre of Calgary

**Ms Okita:** Good afternoon. My name is Kerry Lynn Okita, and I'm a volunteer of the Women's Centre of Calgary. This is Lindsay Storm, who is also a volunteer. We are both co-chairs of the board of directors. I'll give you a bit of background on the Women's Centre and then give you our perspective on the submissions here today.

We are a grassroots organization serving a vast number of diverse women in Calgary. Just to give you an idea of who we're serving, in 2009 we had over 54,000 contacts, and 87 per cent of those women identified that they were experiencing poverty. Due to the recent and current economic climate, we are very concerned that the experience of poverty in Alberta will be deepened and increased with any changes to the minimum wage policy.

The Women's Centre of Calgary would like to offer our support for continuing to increase the minimum wage here in Alberta and for maintaining a minimum wage policy that supports the current and future needs of all Albertans. We respectfully oppose any policy holding the minimum wage at \$8.80 for 2010 as it will have a significant negative impact on Alberta's women and on Alberta's communities.

We recommend that the government focus on meeting basic standards for all Albertans. Just from sitting here and listening to some of my friends' presentations, I think it's fair to say that a fair and inclusive society includes that if you've got minimum wage workers and they're working full-time, full year, it should be that they're earning above the poverty line. Unfortunately, that's not the situation we're looking at here in Alberta.

This has been mentioned before, but I'll go over it a little bit more in detail here. The background for the position of women in Alberta is that two-thirds of all minimum wage earners are women. I've heard some discussions this afternoon about the age of minimum

wage earners. Minimum wage earners who are females, which, again, is two-thirds of minimum wage earners in Alberta: half of them are over 25 years of age. So this isn't an instance where we're dealing with 15-, 16-year-old females. Half of them are over 25 years old.

Women are much more likely to be poor in Alberta than in other provinces in Canada. I think this is something we need to look at. Alberta is a great province, and this is something that should be looked at. Alberta's women earn a staggering 66 per cent of what men do in Alberta. I've heard this number mentioned before. That's well below other provinces in Canada.

The current situation in Alberta exacerbates an already unequal situation where women remain more likely to hold part-time, temporary, or seasonal positions without long-term security, health benefits, or pension plans. Put simply, women are the last to get hired in economic booms and the first to be let go in economic hard times.

Minimum wage earnings for women in Alberta are shocking. I believe we've discussed some of these numbers already with some other presentations, but I'll go through them again. If there's an individual who's working 35 hours a week and they're working 52 weeks a year, after tax they're earning just over \$15,000. This amount is significantly below the current poverty line in a large city, and compared to looking at what the poverty line would be if that individual was a mother – a parent of one, of two, of three – that number increases drastically. These numbers are far below the poverty line.

More particularly, looking at a single mother in Calgary, let's take the instance of a single mother with two children. Each month after tax she needs to earn just over \$2,000 to meet the basic needs of her children and herself. If she is working at minimum wage right now, in one month she and her family will have over a \$700 shortfall in just meeting their basic needs. Multiply that by the rest of the year, and that's a significant debt.

I've also heard some discussions this afternoon about where Alberta ranks with respect to their minimum wage relative to other provinces in Alberta. I think what we need to be looking at there is not just where Alberta ranks with respect to other provinces but also where Alberta ranks with respect to the cost of living and the GDP. Everybody seems very positive. The economic climate seems to be changing for the better. Hopefully, this will be very positive for Alberta. At this point we should be looking at becoming a leader with respect to minimum wage.

I've also heard a lot of discussion with respect to minimum wage research and what happens with respect to unemployment. What I'd ask you to do for the purposes of our presentation – I can go over numbers with you. I can go over the research. But let's just look at it with common sense. If you're earning minimum wage, I don't think you're investing outside of the jurisdiction. You're probably not vacationing outside of the jurisdiction. You're spending your money locally. If you're spending your money locally, that means you're boosting the local economy. Just looking at it from that perspective, minimum wage earners are spending locally. That boosts the economy.

Also, if we increase minimum wage or at least keep it where it is, there are other positive economic responses. First of all, there's higher productivity and there's higher loyalty to your employer. If people are being paid at least minimum wage, they're pleased with that. They're going to continue to work there. They're going to continue to be loyal to their employer, and it's going to make more stable jobs and less turnover. If minimum wage is decreased and that opportunity is to drop, I believe that will create a lot of problems.



3:25

In conclusion, the Women's Centre of Calgary respectfully submits that any decision to hold minimum wage or decrease minimum wage should be reconsidered. As I said, two-thirds of Alberta's minimum wage earners are women, so it will drastically affect women. It will drastically affect Alberta's communities and families. At the very least, we urge the government to return to the existing policy of increasing on Alberta's average weekly earnings.

As I said at the beginning of this presentation, the Women's Centre of Calgary has a unique perspective in that we have a lot of contact with diverse women. When we were looking at this issue, we spoke with a lot of women on their perspective, on what they thought. One of the women we spoke with is a woman named Teri. She's 56 years old, and she resides in Bridgeland. She has lived in Calgary for over 24 years, and she has been earning a minimum wage for approximately 10 years. My friend Lindsay will relate what Teri spoke with us about.

**Ms Storm:** Teri said:

If minimum wage is removed, people will be hired for nothing. And they will take the job because they are desperate.

It's demeaning because you work very hard, but then you look at your paycheque, it's already gone! If you work for minimum wage people have to go to the Foodbank to supplement. I use the Foodbank because I have to eat.

If the people making the law tried to live on minimum wage for 3 months, they would be shocked! And stunned! I do not think they have a clue on what it's like. The law makers don't get it because they don't live it.

We are the invisible people – the hotel workers, workers in the restaurants and laundry, the factory workers. The decision makers have no idea how difficult our lives are without money. We make decisions between buying milk and buying diapers. They do not notice us. We struggle everyday.

**Ms Okita:** Those are our submissions, and we look forward to your questions.

**The Chair:** Thank you very much.  
We'll begin with Mr. Chase, please.

**Mr. Chase:** I very much appreciate your comments. They've echoed what other presenters have indicated, such as that two-thirds of the individuals on minimum wage are women. As you noted, over half of those are over 25. So this notion of, you know, an addition to one teenager's allowance has been debunked numerous times, and hopefully the committee's report will demonstrate that.

Also, from your presentation it seems to be rather obvious that instead of in Alberta facing a glass ceiling, you're facing a lead lid. The example that you provided of one woman's testimony of the invisibility, I think, is very true because a lot of the work is done sort of behind closed doors or in hotel hallways, in terms of chambermaids and so on.

The food service workers did not answer my question in terms of how many employees last longer than a year. What you've indicated is that in this particular case the woman had been working 10 years at minimum wage.

I just want to put on the record the statistics for women turning up in shelters. Over half of the women who go to shelters for a variety of reasons, family violence being the main one, are turned away.

Solutions beyond the graduated increase in minimum wage. What are some other areas that a government could facilitate in terms of providing women with more opportunities in terms of equality of wage and, you know, living conditions beyond the poverty minimums?

**Ms Okita:** Well, I could go on for hours with respect to some of those ideas, but since we're here speaking about the economy and speaking about the wage, I think what we need to look at are women who are working and what's important to them. So minimum wage, as we've talked about, is very important, increasing that. Even going to a living wage: we're definitely an advocate of that. Looking at things that allow opportunities to work, so things like child care, making sure that there's decent child care available and that child care is responsive. As we've noted, there are a lot of women who work part-time, who work shift work, and it's very difficult to find child care that's appropriate for those conditions.

I think taking a step back and looking at the wider picture of why two-thirds of minimum wage earners are women and why half of women in Alberta right now are earning less than \$25,000, looking at why that is, looking at the opportunities they have, which include child care, which include training, which include a myriad of things – as I said, I could go on for hours about this, but I appreciate your question.

Thank you.

**The Chair:** Ms Woo-Paw, please.

Thank you very much for your response.

**Ms Woo-Paw:** Actually, I had similar questions to Mr. Chase. I would love to hear if you have anything else to add. One of my questions is whether there are programs in other Canadian jurisdictions that Alberta should look at to address the issue of the disparity between what women and men earn. If you have anything to add, that would be great.

If not, my other question is your perspective on the idea of a differential minimum wage between urban and rural settings in the province.

**Ms Okita:** First, with respect to the programs in other jurisdictions and having heard a question that you asked of the previous presenter with respect to poverty reduction plans, I think that the Women's Centre in particular has become very interested in looking at provincial poverty reduction plans and having a look at that with respect to women. I think there's a lot of research out there analyzing the contexts and different factors that affect poverty. But, as I said, the Women's Centre has a very unique perspective in that we are dealing with over 54,000 women a year who are dealing with these issues, so we've got some direct insight there.

With respect to the second part of your question on a graduated minimum wage, what our perspective would be on a graduated minimum wage of any sort is that addressing differentials, addressing disparities, between whether it be young earners, whether it be service providers, whether it be people who are in the process of being trained, living in rural areas, would not include dropping the minimum. If that's something that needs to be addressed, I think the bottom should still be moved up. That minimum wage should still be moved up. Then at that point that leaves it to the employer, that leaves it to the service provider to deal with the disparity. The Women's Centre's position would be that it wouldn't benefit the minimum wage earners to have that disparity regulated by the government.

**The Chair:** Thank you.

**Mr. Marz:** Many of the presenters used the number 35 hours a week to calculate the wage. We know many work much more than that because they have more than one job, and some work substantially less than that, so they earn even less because of their situation and

different restrictions they may have on them. Would you have any idea or numbers that would indicate what the average number of hours per week a person on minimum wage would work and what the range would be, high to low, just for curiosity?

**Ms Okita:** Unfortunately, I don't have those numbers in front of me. What I would add, though, is that, as you noted, there are many individuals out there who are working more than one job to make ends meet at minimum wage. To put that into the perspective of a young mother or a single mother who's dealing with that, again, that's bringing up issues of child care, bringing up issues of picking up kids after school. Noting in your question that there are these people who are working multiple jobs, there are more factors that need to be looked at when women are brought into that.

**Mr. Marz:** Right. Perhaps it's something our staff could look for and see if we can come up with something like that.

**The Chair:** Thank you very much, Mr. Marz.

**Mr. Taylor:** Okay. I know we don't have a lot of time left, and this might be a loaded question, and I know you could talk about it for hours, so I'm going to try it like this: give me maybe the top three reasons why two-thirds of the minimum wage earners in Alberta are women.

**Ms Okita:** That's a fantastic question. I might need a moment to respond to it. There are just so many factors. There are just so many reasons. I guess it depends on how far back you want to look at that disparity. Looking at Alberta here, we've noted that there's a disparity of 66 per cent, and that's well below the national average. So instead of looking at what we're doing wrong, maybe look at other provinces, what they're doing right. In Canada as an average women earn 75 cents on the dollar that every man earns. Looking at that, looking at issues of child care, looking at issues of systemic discrimination, looking at – I mean, as I said, I could go on for hours. It's just how far you want to step back and what you want to look at.

3:35

With respect to minimum wage, with respect to earners, I would say that child care is one of the most important issues, that opportunity to engage with work. That, again, is loaded with issues of having access, having good child care, having access to child care that's available when you're doing shift work and affordable. If it's costing you more to put your kids in child care than you're earning, I mean, that's something that's quite simple, that common sense just dictates.

**Mr. Taylor:** Yeah. It's a bit of a catch-22. It's a bit of a trap.

**Ms Okita:** Absolutely.

**Mr. Taylor:** Raising the minimum wage in and of itself is not going to break that cycle entirely, but it will help.

**Ms Okita:** It will help. It absolutely will help. Looking at what women earn, looking at the opportunity to continue to earn wages, I think raising the minimum wage is absolutely a step in the right direction.

**Mr. Taylor:** Thank you.

**The Chair:** Thank you.

Mr. Amery, we've got exactly 29 seconds.

**Mr. Amery:** Thank you. I'm done.

**The Chair:** No, no. Go ahead. Ask a question.

**Mr. Amery:** Thank you for your presentation. You have very impressive statistics here about 54,000 women. You said that 87 per cent of these were experiencing poverty. Now, I wonder if you have any breakdown in this 87 per cent of the percentage of immigrant women and new Canadians.

**Ms Okita:** I don't have the exact numbers off the top of my head, but I do know that the Women's Centre of Calgary deals with a lot newcomers both to Calgary and to Canada. I can't give you an exact number, but I know that they are a significant demographic in the centre.

**Mr. Amery:** Thank you. I think my 29 seconds are up.

**The Chair:** Thank you so much for your presentation.

**Ms Okita:** Thank you very much.

**Mrs. Sawchuk:** We'll move on to Cecilia Miguel.

**The Chair:** Thank you very much, ladies. As you're getting settled, you don't need to be touching the microphones as they're being operated remotely. Your presentations are part of the public record, and the meeting proceedings are recorded and transcribed by *Alberta Hansard*. You have 10 minutes for your presentation and 10 minutes for questioning. Please begin your presentation by introducing yourselves.

### Women Together Ending Poverty

**Mrs. Miguel:** Thank you. My name is Cecilia Miguel, and I am part of Women Together Ending Poverty. Today I'm going to present to you a brainstorm that our collective made to be read in front of you. I think that you have a copy of it before you, right?

Women Together Ending Poverty, or WTEP, is a diverse grassroots women's group that was formed in Calgary in February 2008 to educate and empower ourselves and other women to take action on the root causes of poverty. Our principles include the belief that charity is not a solution to poverty and that improving the lives of women improves the lives of children and men.

Ever since minimum wage policies were first introduced in Canada in 1918, they have stimulated intense controversy and debate between those who believe in an unregulated economy and those who believe that government intervention is necessary to mediate the harsh impacts of the free market. This debate continues among economists today as minimum wage policies are being revisited in North America and in Europe and countries like China are raising the minimum wage in order to stimulate the domestic market.

After reading only some of the material covering this debate, we believe that addressing minimum wage policy should not take place in isolation of policy implications for women, overall economic trends in Canadian society, and the need to implement other, related policies to reduce poverty and stimulate economic growth. It is within this context that WTEP believes that minimum wage should be a living wage, thereby providing someone who works full-time access to a standard of living that is at least over the low-income cut-

off line. We believe that such a policy is good for women and good for the economy.

Implications for women. Women make up 65 per cent of minimum wage workers in Canada. In Alberta there are 20,000 minimum wage earners, and of these over two-thirds are women, half of whom are over the age of 25. Furthermore, women in Canada and Alberta are disproportionately represented in the service and retail sectors, where wages are usually set at or only slightly above the minimum rate.

Many of our members work or have worked for minimum wage or just above minimum wage. Many of us are single parents. We know from our life experiences that living on the current minimum wage in Alberta means a constant juggling act between paying the rent or utilities or providing food or clothing or accessing transit, a situation made even more stressful and difficult when children are involved.

Freezing the minimum wage in Alberta this year rather than allowing it to rise with the rise in the average wage has negative consequences for us. Therefore, we know that increasing the minimum wage will put more money into the hands of women in this province and provide a baseline from which other improvements for all women can be developed.

A substantive portion of the debate around raising minimum wages is the scope of negative impact on employment, especially in sectors dominated by low wages and especially on the most vulnerable. To the extent that there will be a negative impact – and it has been argued that other factors are often involved in lower rates of employment and that lowering minimum wages does not seem to increase employment – other programs would need to be put into place to alleviate any negative impact, and effective on-the-job training programs would need to be instituted.

Improving the economic lives of women will also require placing minimum wage policy within an overall program of changes designed to improve the economic situation of women in Alberta and specifically to address the following issues outlined by Phillips. In Alberta cuts to health, education, and social services have disproportionately impacted women and the most vulnerable. The lag between men's and women's wages for full-time employment is the largest in Canada. We have the lowest social assistance rate for single female parents in the country. We have the highest child care fees and fewest number of child care spaces in the country, and female single parents are more likely to live in poverty than other Canadians. Half of our province's women earn what qualify as poverty wages.

Economic trends. Furthermore, as mentioned in the introduction, developing minimum wage policy cannot be addressed in a piecemeal fashion but should be part of a larger discussion of how we want to stimulate economic growth and investment in Canada. We need to understand that in Canada investment in the real economy lags behind that in the paper or financialized economy. Economic disparity and the concentration of wealth is rapidly increasing. Ninety per cent of Canadians have experienced a decrease in their share of total income and the top 5 per cent a larger share of total income since the early 1980s. Tax policies have disproportionately benefited the wealthiest 5 per cent of Canadians, with most of these benefits going up to the top .01 per cent. In Alberta we lag behind the rest of the country in recovering jobs lost in the recession.

Some economists argue that increasing the minimum wage helps to stimulate demand for goods and services in the local economy. Some go further and argue that only through a wage-led growth model will countries be able to address the weaknesses in their real economy and avoid recurring recessions such as the one that still lingers.

3:45

Others, such as Stanford, support increasing the minimum wage and at the same time caution that, given the nature of globalization, raising wages cannot be relied upon in isolation to stimulate the investment we need. He argues for an economy model where the state intervenes even more strongly in the capitalistic economy to stimulate investment and growth, offering the Scandinavian countries as the model, where taxes are rated at a share of the GDP, where the government plays a strong role in economy regulation, where income distribution is more equalized; in other words, where the free market does not run the show.

Conclusion. Minimum wage policy development offers a choice as politicians and as citizens. We can continue to address this policy issue from a free-market perspective, one that has increasingly dominated economic policy in Canada and Alberta since the early '80s and has contributed to the increasing financialization of our economy rather than addressing the slow growth of the real economy, increasing economic disparity in cutbacks to social programs, which have disproportionately impacted women in recurrent downturns in the economy, and severe economic hardship for the working class, or we can take this as an opportunity to address minimum wage policy development and raise the minimum wage to a living wage as part and parcel of a new way of thinking about how we organize our economy, looking to countries like Norway as a model to that end. We should note that Scandinavian countries weathered the economic recession much better than others, to the surprise of many free-market thinkers.

Thank you. This is from Women Together Ending Poverty.

**The Chair:** Thank you very much for your presentation.

We have a speakers list beginning with Mr. Chase, please.

**Mr. Chase:** As I was listening to your presentation, I couldn't help but see a parallel for Alberta women living in poverty with Third World circumstances. In the Third World, Africa for example, it's the grandmothers that are raising the children because AIDS has taken a toll on the mothers. I've heard examples where the catch-22 for the mother is that she wants a better life for her children. Therefore, she goes out to work and works such long hours that when she does get home, the quality of the life that she can provide for her children is compromised, so it's a vicious circle that you can't seem to get out of. Also, I've heard examples of women from the Philippines who come to Canada as nannies and then send the money back. They've sort of left their children under the care of their mothers so that they could try and get their children out of that level of poverty.

We've heard that child care beyond an increase in minimum wage would be one of the key factors. Have you other factors that you think would be part of the solution beyond the improved child care and the increasing of the minimum wage that would have a very definite, potentially immediate effect on improving not only women's lives but their children's lives?

**Mrs. Miguel:** Well, I think that in Calgary women live very isolated. There are no places for women to go to without having to pay and that. I lived in Vancouver, and I worked for a neighbourhood house. In a neighbourhood house women have free leisure, a community that gathers every day to have a coffee, for example, without paying. You have counselling, et cetera. The same happens in Montreal, for example. A health unit offers a lot of services we don't have in Calgary. A lot of our members are a breakdown away from being homeless after working 12 hours a day, being responsible for your kids, and having the possibility of child welfare take them

away from you because if you are working 12 hours, you cannot take care of your kids. That is not acceptable in one of the richest economies in the world.

We certainly think that it's a shame in Canada to have to face this, but this is not a reality for a lot of people because there is no way to know that; only you have to experience it. That's why at WTEP we think our group is very important, because we want to have a voice, and we want to be the representative of our concerns.

**The Chair:** Thank you very much.

Mr. Fawcett, please.

**Mr. Fawcett:** Yes. Thank you, Mr. Chair. I appreciate your presentation. I know I can't speak for all members of the committee, but I do know that when we do hear stories of poverty and hardship, we all feel that impact. The challenge as decision-makers is that quite often every decision doesn't come without a consequence or a trade-off. I wish there was a decision out there that we could make where none of the consequences were negative, but one of the things that is very positive in this province is that we do have a very strong economy, and it's important for us to keep it that way. Historically we have had one of the lowest unemployment rates, and the more that people can work, the better off they are. You know, there is some sense of worth and dignity there.

Quite often sometimes some of the trade-offs, particularly in this, are: do we keep the minimum wage lower, knowing that, you know, there might even still be a gap between what is the minimum wage and what is the low-income cut-off, and try to keep the economy robust and competitive with other areas of the country and other areas across the world and address some of the poverty issues through social programs, or do we raise the minimum wage to a place where it might meet that low-income cut-off but risk jeopardizing, maybe, our competitiveness from an economic standpoint and risk losing investment, which creates jobs? I guess, if you were in our position and you had to make those trade-offs that we're going to be forced to make, what would you do?

**Mrs. Miguel:** Well, first of all, it's a hard question because I am not an economist. I am just a woman who is part of a group where most of our members are getting less than \$10 an hour, and if you are lucky to get 40 hours a week, you can just pay the rent, right? We want to think that we have a good political system that is going to address our needs, and we want to have more chances to be more informed at the time that we're going to elect our politicians. We want to be more educated on what is best for us.

I would say that no women should be homeless. No women should be in the position to accept domestic violence just not to be homeless, and our kids shouldn't be eating macaroni and cheese every day because there is no other way to feed them. If other countries or other provinces are doing it better and Alberta is one of the provinces that is doing best, then we shouldn't see that.

We have seen women who are professionals in their own countries struggling, not finding a job, looking for a job and not being hired here in Calgary for six months. It's not a gift to be on welfare when you can do better, right? It's not a gift to be lining up for the food bank and accepting food that is not even close to what you are used to eating because when you come to the country, you are not used to the food that we have here. Those kinds of things.

I'm sorry if I don't have the answer, but my perception is that what I've seen in Calgary is not acceptable. I can only compare it to the poverty that we live in in my home country, El Salvador, in some communities. I just met a First Nation teenager who has told me that she's never seen the ocean. Everybody is going on vacation

here, apparently, but that woman has not been anywhere else other than maybe Red Deer. I mean, I wonder if that is acceptable.

3:55

**The Chair:** Thank you very much.

Two more people I've got on my list: Ms Woo-Paw, followed by Mr. Taylor, please.

**Ms Woo-Paw:** Thank you, Mr. Chair. Thank you for your presentation. In addition to asking this committee to take a look at the minimum wage issue in the province and seek some future direction, the minister responsible for Employment and Immigration, Mr. Lukaszuk, is also looking to more effectively address issues relative to underrepresented groups within the workforce, which certainly include women. I'd like to know, if you feel comfortable telling us, what avenue, what mechanism, you think exists or does not exist that should exist so that the ministry, the government can work with those impacted to address some of these issues. We're talking about a lot of complex issues, long-standing issues. You talk about root causes. It's not something that this short-term review process could address. What do you think we can do so that we can work with those impacted to address some of these issues? Any ideas?

**Mrs. Miguel:** Well, we women by nature are called to preserve life, right? Otherwise, the babies would die when they are babies. Most of the systemic decisions on the economy seem not to be there to preserve life. When we see women who are beaten up in downtown Calgary by the police and nobody says anything and it's not acknowledged, then we question why. If a woman has the problem of alcoholism, she is sick. She doesn't need the police to brutalize her. Where are the decisions that the city is doing in order to help these women to become healthier, for example?

Like the previous presenter said, we could stay here for hours talking about this. I think that humanity is getting to the point where we are going to destroy ourselves because what we are doing is just the opposite of what needs to be done to preserve our lives.

I would say that the government needs to be more present in the needs and basic needs of the population. We don't want to be rich. We just want to live with dignity.

**The Chair:** Thank you very much.

We are out of time. Mr. Taylor, last question. Go ahead.

**Mr. Taylor:** Okay. I'll ask it. It's one of those questions that we could spend hours talking about except that the chair says that we must not. It strikes me, listening to everything that you've had to say, that whatever decision this committee makes in terms of recommendations around minimum wage, up to and including recommending a minimum wage or a path to get there that gets minimum wage above the poverty line, above the low-income cut-off, that's not going to be enough. We need to think more broadly and be more creative and more innovative about this.

It strikes me that this has to be some kind of a partnership where women working together collectively in entrepreneurship are able to access the resources to start their own businesses, to make their own work, to make their own jobs that have some potential of economic benefit and that government has to in some sort of partnership there create some of the conditions that enable that. I wonder what Women Together Ending Poverty has been doing in terms of looking into that area and making recommendations around that.

I know that's, again, only one small piece of this. That's not going to take care of the alcoholic woman who's being mistreated. That's not going to take care of someone who comes here, whether

it's from El Salvador or wherever. We just saw a poll come out this week that shows overwhelmingly that people the world over would like to live in Canada, but that's based on the assumption, I think, that when they get here, it's going to be better than it was back home.

We have all these things. People working individually, not in isolation but individually and together, can empower themselves if government doesn't prevent them from doing this to benefit and, you know, improve their own station in life. I offer that to you, and the chair hopes that your answer is not hours long.

**Mrs. Miguel:** Yeah. We are part of different initiatives in the city. One of the things that we're looking for is to build up a working co-op, you know. Women, some of our members, wouldn't be hired anywhere – right? – but we do believe that we have the power and the strength to do things together. We think that a working co-op is a solution in the long term for a lot of the issues that women are facing, like a workplace that, instead of firing you because you have a problem, would give you some solutions in terms of child care or in terms of counselling.

**Mr. Taylor:** A very quick supplementary question if I may: is there a role that you see for government to play in either enabling that and encouraging that or in terms of changing some of our laws so that we get out of the way of that happening?

**Mrs. Miguel:** I think that the government should have an outreach program, first of all, acknowledging the need of what's going on to be solved, but we don't see that. Women don't have any support, any systemic support, other than charity. Like, you can get a lot of toys in a shelter – right? – but that's not what's going to solve the issue.

On the other hand, there are a lot of cutbacks in the education system. Some of our members were looking for academic upgrading, but there is no money. If you want to go back to school, you have to work. For a mother, it's not possible to work, be a mother, study, you know. It's even harder than for men. Those facts just make things more difficult. Prescriptions are not covered. If you get sick and you don't have benefits, you don't have an income. It's really difficult.

**Mr. Taylor:** Thank you.

**The Chair:** Thank you very much for your presentation.

**Mrs. Miguel:** Thank you.

**Mrs. Sawchuk:** The next presenter is Vibrant Communities Calgary.

**The Chair:** Thank you very much, sir. As you're getting settled, just a quick reminder. You don't need to be operating your microphones. Your presentations today are part of the public record. Of course, they're being recorded and transcribed by *Alberta Hansard*. Ten minutes for your presentation, and 10 minutes for questioning, please. Please begin by introducing yourself.

#### **Vibrant Communities Calgary**

**Mr. Meades:** Certainly. Thank you all for taking the time today. My name is Dan Meades. I'm the director of Vibrant Communities Calgary. Vibrant Communities Calgary is a nonprofit organization that works collaboratively to try to address the root causes of poverty. We're here today to talk about minimum wage. The

conversation has been very, very fruitful. I want to thank you all for providing a forum for this today. I know it has been a long day. I know it's quite warm. We're almost through. I'm the last one. So if you could just bear down for another 20 minutes or so, I'd really appreciate all of your time and attention.

We've heard a lot of the economic case today around minimum wage as it relates to LICO, or the low-income cut-off. We recognize, as we've heard from almost everyone that's presented, that \$8.80 an hour doesn't get you anywhere near the poverty line. It's about four and a half thousand dollars short. It's quite a substantial gap that we can all recognize.

**4:05**

Vibrant Communities Calgary is here today to recommend that we index the minimum wage to LICO, or the low-income cut-off, which would be \$12.25 an hour. Now, I know it's \$12.21, technically. If we're really going to think about broad-based leadership and system change, bringing people directly up to the poverty line and not a penny more so that they can't save for a rainy day, can't provide for their family's future, and can't supply themselves with any type of education – I think we can do a little better. In fact, I think we can do 4 cents an hour better. That gets us to \$12.25 an hour.

Let's talk about what the actual accounts are. What really happens when our businesses are paying people \$8.80 an hour? We know that it's causing people to live in poverty. We know that. It's unequivocal. What happens? What does that mean? Well, it means that those folks that are working full-time, the full year, for \$8.80 an hour need to rely on costly social services.

There's a really interesting study that came out of Hamilton within the last month. It says that if you live in suburban Hamilton, so still within the district, and you've never accessed a shelter, if you compare that individual to a person that lives in downtown Hamilton and is what they call the habitual shelter user, so they've been a regular client to the shelter system in Hamilton, your life expectancy differs by 21 years. Let's take a moment. Twenty-one years. If you're poor and you live in Hamilton, you die 21 years earlier than if you're rich and live in Hamilton.

My friends, there's nothing special about Hamilton, Ontario, in this regard. Calgary will give you these same numbers, I assure you. If you're poor and you live in Calgary, if you're poor and you live in Edmonton, if you're poor and you live in Alberta, you die 21 years early. It's not okay. Within your lifetime you're relying on costly social systems. Your health care expenditures are higher. You're in line at the food bank. You're in the drop-in centre. These things cost us money. They cost the province money. Because they cost the province money, of course, they cost taxpayers money.

What we've got is a system that says to taxpayers: "We're going to let business off the hook. We're going to tell them that they can pay \$8.80 an hour because they say that's all they can afford. As a result, Mr. Taxpayer, Mrs. Taxpayer, you've got to foot the bill for costly social services." That's not okay, especially not here in Alberta. Here in Alberta for 40 years we've elected fiscally conservative governments, so we've got a very clear mandate from the people of Alberta. They've told us for 40 years: spend my money wisely. They've told us. Asking taxpayers to foot the bill for businesses and subsidize those businesses directly: is that spending taxpayer money wisely? I would argue that it isn't. I would argue that if we want to subsidize folks to go to work, we can do a better job than putting money in business owners' pockets. I'm not antibusiness. I want to be very, very clear.

I had an interesting conversation with Bruce Martin yesterday. Bruce is the manager of Community Natural Foods. He's got 320 employees. Bruce is what we call a living wage leader. Bruce

didn't pay his employees a living wage. We went and had a chat with Bruce about 18 months ago and said: "Bruce, not paying your folks a living wage morally is not a fit, but economically it's not a fit either. Bruce, if you do this, if you pay your staff a living wage, your entire payroll costs will go down." Eighteen months later Bruce shakes my hand. He says: "Thank you. I paid my staff more. I've got less loss. They're not stealing from me any longer. I've got less turnover. They're way more productive. So I pay more, but my budget line items for payroll go down."

We had a gentleman here from Tim Hortons earlier this afternoon telling us that he couldn't afford more than \$8.80 an hour. We should all go to Higher Ground to get a cup of coffee, where they're a living wage leader and still make money every quarter by paying all of their staff above \$13.50 an hour.

It's an interesting conundrum that we're in here. We need to choose. Do we want taxpayers to subsidize business, or do we want business to really do the heavy lifting here? Sometimes when I have this discussion with people, they say: "Well, Dan, we've got to keep minimum wage low because we've got to grow the pie. When we grow the pie, everybody eats." When the tides rises, all boats rise with it, right? We've heard that, haven't we? Sure.

Let's talk about corporate profit. Let's talk about corporate profits per person in Calgary, and let's start in 1989 because between 1989 and 2008 we had some pretty good years, didn't we? In 1989 we had corporate profit per person in Alberta after tax – this is adjusted for inflation – of \$3,600 per person. Okay? In 1994 it was up to \$4,800. Wow. The economy's growing, right? The pie is getting bigger. Corporate profits are getting bigger. In 1999 \$6,000 per person in corporate profit. In 2004 \$11,900 per person in corporate profit. Again, profit is not a dirty word. I'm glad people are making money in our province. I'm very happy about it.

In 2008 we topped out: \$15,000 per person. Interestingly, between 1989 and 2008 the poverty rate stayed at about 15 per cent. So the pie got really big. The pie was really little in 1989, right? We were at \$3,600 a person. By 2008 we had one giant pie. Of that giant pie we know who was eating, and it wasn't people living in poverty in our communities. People living in poverty in our communities: 15 per cent still living below the poverty line.

When we think about what we do about this, the other argument is that minimum wage is a blunt instrument. We can't just raise the minimum wage, Dan, because it doesn't fit everybody, right? We can't say: because the cost of living in Calgary is more and the cost of living in Lethbridge is less, because some people make tips and some people don't, and some people are just students anyway, and who cares if they make a living wage because they're only paying for their educations to get further. So it doesn't fit. It's a blunt instrument.

Let's think as Canadians about what blunt instruments we're really proud of. Public health care. We don't care what's wrong with you. We don't care who you are. You should be healthy. So as a people we're going to help you be healthy. Education. We don't care who you are. We don't care what your background is. We recognize that economically you need to go to school to contribute to our society, so let's fund everyone to go to school.

It's the exact same argument, my friends. If we're going to suggest that people living in poverty is unacceptable – unacceptable for a bunch of reasons. Number one is because we can all put our hands up and say from a values point of view, from a moral point of view: it's wrong. We can all agree with that. But from an economic point of view we can also say the same thing. We can't pay people \$8.80 an hour because taxpayers have got to make up the difference. It costs the same for somebody to live whether they make \$8.80 an

hour or \$12.25 an hour. Where does the extra money come from? Well, it comes out of taxpayer dollars. There's no other way around it.

So when we talk about it being a blunt instrument, I'm great with it. I really like that argument. Let's use a big, blunt instrument. Let's help everybody all at once because the money has got to come from somewhere anyway. Instead of targeting it specifically and saying, "If you serve liquor, well, you get a different wage, and if you're 17, you get a different wage" – and for goodness' sake, let's not go with a 500-hour training wage. Find me 10 jobs that take 500 hours to train you. My goodness. Especially not a waiter or a server. They're not getting 500 hours of training time. They're getting three shifts. We need to be clear about that stuff.

Business gives lots of push-back on this, and I respect them for that. Business gave lots of push-back around child labour. They said, "If you tell me that I can't hire kids and I can't pay them 14 cents a day, I'm going to go under." As a community we said: "You know what? If you can't make a living without paying children to go into coal mines and climb up our chimneys, go under, because it's not okay. It's not okay." That's where Vibrant Communities Calgary comes from on this point. We can't have taxpayers subsidizing businesses that do things that aren't okay. As a province we have a really good opportunity to be a leader in this regard. We can say it to the rest of Canada. We can say, "We know that a living wage makes sense economically, we believe it makes sense morally, and we're going to lead on it."

I agree that it's a complex issue. Poverty is a very complex issue, and any solution we come up with has to be complex as well. Let's start in Manitoba and let's head east because every province has a poverty reduction strategy. From Manitoba east they've all got them. Some are better than others. Alberta does not have one. Interestingly, my colleague Xavier from Calgary Workers' Resource Centre didn't have a lot of information on the British Columbia poverty reduction strategy because there isn't one. It's just us left. Alberta and B.C. standing alone without a strategy to help people get out of poverty. A good moment for leadership, I think.

In closing, \$12.25 an hour is a bare minimum of what the minimum wage needs to be to lift people out of poverty and shift the burden from taxpayers to business, where it belongs. Thank you.

**The Chair:** Thank you very much for your presentation.

We have a few people on my list, beginning with Mr. Fawcett, please.

**Mr. Fawcett:** Thank you, Mr. Chair. You made the comment, something about, you know, if we don't raise the minimum wage, we're letting business off the hook. I have some concerns with that. Many businesses pay taxes. For example, they do pay payroll taxes. They do pay a corporate tax. They do pay property taxes. I'm not sure that we're really letting businesses off the hook. I think what we're trying to do is create an environment where people that create jobs through investment, through innovative ideas choose Alberta as a place to do that.

4:15

I was just wondering. I know that you talked about, you know, growing the corporate pie and that you really don't believe in that argument, but do you believe that if we did look at raising the minimum wage or a process that gradually would raise the minimum wage, in order to remain as competitive as we are now to investors – because, let's be honest, investors will take their money where they are going to make the most money; I mean, that's not a myth – we could maybe offset it through the reduction of, let's say,

corporate taxes or something like that to make sure that the overall cost to business still remains as competitive as it is today?

**Mr. Meades:** A very interesting question. I do appreciate you asking it. Thank you for that. When I suggested that I don't agree with the argument of growing the pie, I would challenge you a little bit on that, and perhaps I wasn't as clear as I'd intended to be. I'm glad that we're growing the pie. I just wish we could all eat it. I'm really comfortable with the same model of growing the pie, but what I don't want to see, as we do that, is for there still to be 15 per cent of Albertans living in poverty. How do we combat that?

Are we letting businesses off the hook? Of course we are. When we say that you can have somebody working for \$8.80 an hour, we all know they're living below the poverty line. What does that mean? That means they're in line at the food bank, which costs the taxpayer money. They're in line at the drop-in centre, which costs the taxpayer money. They cost us more at the Sheldon Chumir health care centre, which costs the taxpayers money.

The question is: are we letting business off the hook? We are obviously letting business off the hook. Let's be very, very clear about that. Let's also be very, very clear that we don't have to. Let's be very clear that there are lots of businesses here in our community and in the rest of Canada that can pay people a living wage and still make money. This argument that it's one or other – if I pay more than \$8.80, I've got to hand in my keys – I reject out of hand because we see tons of businesses in our community that are able to do exactly what we're asking: pay people without having the taxpayer subsidize for services and make a profit.

**Mr. Fawcett:** I appreciate your comments, and I'm sure that could possibly exist for some businesses, but I guess I've never met a businessperson that has suggested that the government bring in a policy that could eat into their margins and be okay with it and not say: well, that is going to force me to look at whether it's expanding the business or relocating it altogether. I know there's a furniture manufacturer just out here east of Calgary that just under a year ago shipped 700 jobs or 500 jobs down to Michigan. I guess the question that I have is: do you not see, particularly if we look at raising wages, that business is just going to pass that on to consumers, increasing inflation, and that wage that you've increased has not done anything to impact the quality of life because inflation has gone up through the roof on basic services?

**Mr. Meades:** Sure. The notion that minimum wage is going to affect inflation I don't particularly agree with, and economists will agree with me on this every time. When we look at the percentage of the population that's making minimum wage, we think of what piece of the pie they're spending on. If we increase that pie a little bit, we're going to increase that spending a little bit. But let's not act as though the price of housing is going to go through the roof because we take a bunch of folks out of the drop-in centre and let them live in dignity. That's not how it works. When we've got \$8.80 an hour, we're talking about people living substantially below LICO and bringing them up just to the poverty line. Right? We're not talking about having these folks with a ton of disposable income here. We're asking for people to be able to live in dignity at the poverty line.

In the city of Calgary alone, with 1.3 million people, 140,000 are people living in poverty and 90,000 of them, so 90,000 out of 1.3 million, working for less than a living wage. If we increase their wages to a living wage, is that going to affect inflation in Calgary? I don't believe it will, and I believe economists will agree with me seven days a week on that point.

**Mr. Fawcett:** Just a quick follow-up, Chair. One quick question. Do you disagree with the assumption or the premise that others have made here today that increasing the minimum wage will have a domino effect on other wages that might not be at minimum wage?

**Mr. Meades:** Sure. I disagree with them on that point, and the reason I disagree with them on that point is that they're wrong. It's very true. We look at other provinces that have done this, Manitoba being the most notable. They increased their minimum wage substantially. They saw no job losses, zero job losses, as a result of increasing the minimum wage. They projected it two years out. Can we expect job losses two years out? No, we can't. Has there been vast, catastrophic inflation in Manitoba? No, there hasn't. We're seeing other people do this. We're seeing other provinces, other jurisdictions, do it right with vast positive effects and no negative effects.

**The Chair:** Thank you very much. Mr. Fawcett, no more questions for you today.

Mr. Chase, go ahead.

**Mr. Chase:** I very much appreciate your summation today. I began with a comment on slavery. Your reference, particularly those of the chimney sweeps and the children in the coal mine, points out how far Alberta has not come. The discrepancy in this richest per capita province between the rich and the poor continues to grow, and there's no need for it. Right now in our sustainability fund, for example, we've got \$15 billion. Poverty has become an enforced governmental choice as opposed to a necessity or a reality.

I can't help but think of Scrooge's comments when he was approached before Christmas. Was there any money that he could possibly give for some of those who were less well off? His comment was: are there no prisons; are there no poorhouses? The answer was: yes, and they're doing very well, thank you. And then: well, people should go there to decrease the surplus population.

Your comment about the 21 years less life of individuals who are living in poverty. We've had the term "Alberta advantage." Well, my suggestion is that it's time to extend that advantage.

Thank you.

**Mr. Meades:** Thank you for your comments.

**The Chair:** Mr. Hinman, please.

**Mr. Hinman:** Thank you. Thank you for your presentation. You're very passionate. You have some compelling arguments, but I have to disagree with you on several. First of all, there is only one taxpayer. It is the people. Businesses pop up, and they exist because they're serving other people. If people weren't here, the coffee businesses and whatever wouldn't do that.

The other thing that I do agree on. Human nature and what's driving human nature is that greed, that compulsion to make more money. A lot of people point to the corporate world and say: well, it's obvious they're greedy. So I would present the argument to you that if, in fact, your argument was that a living wage has done this business so much good, other businesses would look, and they would leap on that. If that was competitive, and they could serve better and do better, and their employees all did wonderful work, they would jump there in an instant.

You referred several times to the 15 per cent that are getting minimum wage. That means 85 per cent of businesses are in fact paying better than minimum wage. One of the questions – you may have said it, but I missed it trying to write down some of the notes.

Like I say, you gave lots of information; I appreciate that. These other jurisdictions that have a poverty – what would I say? – plan: what is their poverty level at?

I'll also ask: is not part of the problem the so-called – as Mr. Chase says, we had an Alberta advantage. I don't believe we have that anymore with this current government because they felt they could raise taxes on an area that they thought was making too much profit, so we tax them and push them out of this jurisdiction. Again, the evidence is overwhelming that they were driven out of Alberta, and now we're paying a premium price to try to attract them, to get them back here, which is a very poor plan in itself.

What is the percentage of poor people across, and can you show me that these other areas that are implementing these poverty plans have reduced it to 1 per cent, 2 per cent? My understanding is that it's pretty static, and the more money we throw at it, we're not solving it. I want to solve it, but there's a better way than minimum wage. It's like raising the basic tax exemption. It's about allowing these people to have better access to postsecondary education. There are many other ways to help them, but raising the minimum wage will in fact tax business. We'll lose businesses out of the province, and it'll increase poverty for those that are struggling to get first-time jobs, first-time experience and go forward. Like I say, the individual who's paying that living wage: I would go out and show that as an example because that is the best thing to push people forward. What is that percentage of living in poverty in other places?

4:25

**Mr. Meades:** Sure. Thanks so much for the question. I think it's very insightful. There are a couple of things that come to mind as you address it. I think the comment was that there are 85 per cent of folks that aren't living in poverty. I agree that for those 85, it's great. For the other 15 not so great, right?

**Mr. Hinman:** And I agree with you.

**Mr. Meades:** I know that we agree, and I appreciate that.

When we look at other provinces and how their poverty rates are, we see very clear indications that the sooner they adopt a comprehensive poverty reduction strategy with some of the suggestions similar to what you've just made around education, around health care, so the longer they've been in place, the lower the percentage of the population living in poverty.

Quebec got there first – right? – so Quebec has got the lowest population living in poverty. Interestingly, a brand new one out from New Brunswick: far and away, I would suggest, the best poverty reduction strategy in Canada, a great process. What we've seen in the New Brunswick plan is that they're driving to bring their poverty rate below 5 per cent, and I think they'll get there. Ontario wants to decrease theirs by 5 per cent in 25 years, and they'll get there, too.

The reason they're getting there is because they've got a plan and because they're trying to get there, so to suggest that minimum wage, again, isn't the right tool, that there are other tools, I absolutely agree. There are other tools. It's not an either/or. This isn't a race to the bottom. Let's do all of it. Let's agree that 15 per cent is too much, and let's make it less than that. The only way we can do that is if we've got a plan, and part of that plan for Manitoba and every province east of there is a higher minimum wage.

When we talk about how folks that are paying a living wage maybe need to do a better job of espousing those virtues to the rest of the business community, I agree. When you say that people are naturally greedy – and I think you're right on that. I don't disagree

at all, but I suggest that folks are motivated by self-interest, so businesses want to make as much money as they can. I agree with that. If we're on the basis of a quarterly income statement – how much did we make the first quarter? – well, then, raising to a living wage isn't going to get you there quarter to quarter, but it will get you there in the medium term, so one year to 18 months, no questions asked. So will it get you there right away? Of course not. There'll be a loss in the first quarter. Raising your wages will cost you more money in the first three months. No question. Raising your wages will not cost you money in the first 18 months. That's a fact.

**Mr. Hinman:** I just need to follow up because you mentioned Quebec and New Brunswick reducing that. I think that here in Alberta we could have a great Alberta advantage if we didn't pump out \$21 billion to those other jurisdictions where they can actually have those social programs that we can't implement because we're taxed. We talk about jurisdictional tax or corporate tax or other ones. We send out billions of dollars from this province so that Quebec can have a daycare plan. They can have lower tuition fees. You go through all those. If you want to talk about equalization and redistribution of money, we need to leave more of it here because we're taxed to the level that it doesn't come back, that doesn't help us in balancing our budget in those social programs.

I will still argue with you that if in 18 months profits go up, businesses will be there in a minute. Go show your plan and do that because businesses, unlike government, don't work on a four-year program or a four-month one. Governments do. They announce their new things. Businesses are much more long term than government ever dreams to be.

**Mr. Meades:** Thanks for that. Sure. I appreciate that as well. The interesting thing for me is that when we say that Alberta can't afford to implement those programs, I would suggest that we choose not to implement those programs.

**Mr. Hinman:** You're aware that we have a \$7.5 billion cash deficit this year alone.

**Mr. Meades:** I am.

**The Chair:** I don't think we want to be getting in an argument in here, so we're just going to move on.

Mr. Taylor, quickly. We are over time.

**Mr. Taylor:** I'm going to be very quick. I very much appreciate your presentation. I agree with much of it. I think you've just said in answer to Mr. Hinman's questions that bringing the minimum wage up to \$12.25, to a livable wage in and of itself, is not going to solve the problem. We need a poverty reduction strategy. What would be, in your view, the two or three key planks in that poverty reduction strategy?

**Mr. Meades:** We've got health care, education, transportation, housing: top four every time. All right? As long as we're addressing those four areas – I'm excluding minimum wage, as you asked me to do that. Those are the other four. As long as we're hitting those four areas in concerted, planful ways, we can grow the economy and reduce poverty at the same time.

**Mr. Taylor:** Okay. On that fourth point, housing, in your opinion, the 10-year plan to eliminate homelessness in Calgary and, by extension, across the province: is it on the right track?



**Mr. Meades:** I do think it's on the right track. At the current rate that it's funded, it's a 38-year plan to end homelessness, so I think we may need to ratchet the name a little bit, which is an interesting point to keep in mind.

The other thing we need to think about here in Calgary is that we've got 4,000 people experiencing homelessness. That's the same number of people that are on the waiting list for the Calgary Housing Company. So we have 4,000 folks standing in line to get a subsidized apartment. We've got 140,000 people experiencing poverty. While I still agree that homelessness is a very key issue – a 10-year plan, if it were indeed a 10-year plan, is right on the right track, and I'm glad that we have it. We're certainly a world leader in that regard. But if we were successful in the 10 years, or in the 38 years at our current rate, to end homelessness, we've still got 140,000 people in Calgary alone living in poverty.

**Mr. Taylor:** Thank you.

**The Chair:** Thank you.

Mr. Marz, please.

**Mr. Marz:** I wasn't going to say anything, but I can't help myself. You said basically something like: we can't have taxpayers subsidizing business. That kind of reminded me of what I heard a few years ago, when the Auditor General came out with a report that claimed Albertans weren't getting enough royalties from business. Pretty much the media got ahold of that, and everybody agreed that we weren't getting enough and we should do more. So after the whole process of going through that, where we took more, recession kicked in, and suddenly the recession had nothing to do with the layoffs this time although it had everything to do with previous layoffs when recessions hit. It's just the normal course of things. When we go through recessions, energy companies lay off people. But this time it was different. It was all the government policy's fault for putting in a royalty.

You can see how public opinion can tell government one day that we should be socking it to them, and when you go partway, suddenly you went too far, depending on how the economy hit. So, you know, I get a little concerned when people say that we can't have taxpayers subsidizing businesses because the next thing you know, when you take an action and something else turns around in the economy, suddenly it's the wrong thing to do. Public opinion can be kind of a fickle thing.

**Mr. Meades:** For sure. What I would suggest to that is that we can all recognize that \$8.80 an hour doesn't get us up to the poverty line. All right? So if we're saying that businesses shouldn't have any part to play – right? – that the onus shouldn't be on business to make sure folks live a dignified life, let's get rid of the minimum wage if that's really what we think. Right? Let's pay them two bucks an hour, and let's see how the taxpayers feel about having to subsidize all of that cost. It's the exact same model we're in now, where the taxpayer has to subsidize business. If we're saying that's okay, well, let's make it super easy for business, two bucks an hour for all. Tim

Hortons will make a fortune. But we're still having to subsidize those costs somewhere.

**Mr. Marz:** My point was that the energy companies in the recession: everybody told us there would be no layoffs, but there were. And, of course, there was a recession involved in there, but that wasn't accepted as having any blame in the layoffs at all. It was all government policy. Like I said, the same people can tell you one thing one day and the totally opposite thing the next.

**Mr. Meades:** Certainly. I'm happy to talk about this tomorrow or a year from now, and I'll be telling you the same thing.

**The Chair:** Thank you very much for your presentation.

**Mr. Meades:** Thank you.

**The Chair:** That brings me to the end of all of my presenters who are scheduled. Our time ends at 4:30, so that's the end of our presenters for today.

**Mr. Fech:** Can I make a quick comment, sir?

**The Chair:** No. I think we're at 4:30, sir. Our time limit was at 4:30. I think we're over time already.

**Mr. Fech:** Well, it's the public. I mean, don't you want to hear from the public?

**The Chair:** I think we asked the public to register.

**Mr. Fech:** No, you didn't. You asked the agencies, not public. Mark that down. They only asked from agencies, not public.

**The Chair:** I think it was advertised till 4:30.

**Mr. Fech:** Well, I'm here.

4:35

**The Chair:** I think it was also that you had to be registered as well. I don't know whether you are or not, sir. I don't think you are.

We've got a couple of things on the agenda that we just need to finish up. Is there anything else we need to discuss, any other business?

**An Hon. Member:** When is the next meeting?

**The Chair:** The next meeting is at the call of the chair, and of course we'll have the committee clerk do a polling on people's availability then.

Our last thing. We need a motion to adjourn the meeting. Moved by Ty Lund, seconded by Mr. Taylor. All in favour? Those opposed? Thank you very much. The meeting is adjourned.

[The committee adjourned at 4:36 p.m.]





