



Legislative Assembly of Alberta

The 27th Legislature  
Third Session

Standing Committee  
on the  
Economy

Minimum Wage Policy Review

Monday, July 19, 2010  
1 p.m.

Transcript No. 27-3-10

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The 27th Legislature  
Third Session**

**Standing Committee on the Economy**

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Chase, Harry B., Calgary-Varsity (AL), Deputy Chair

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Griffiths, Doug, Battle River-Wainwright (PC)  
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[Mr. Bhardwaj in the chair]

**The Chair:** Well, good afternoon, committee members, ladies and gentlemen. I'd like to call this meeting of the Standing Committee on the Economy to order. I'd like to start by welcoming Tim Thompson and Liane Todd from Alberta Employment and Immigration, who have joined us today to provide us with their technical expertise during our deliberation.

At this point I ask that the members and those joining the committee at the table introduce themselves. For the record, ladies and gentlemen, we've got Mr. Fawcett joining us by telephone.

Mr. Hinman, can you hear me? He's not there yet.

Mr. Fawcett.

**Mr. Fawcett:** Yeah. I'm here.

**The Chair:** Thank you.

Mr. Marz.

**Mr. Marz:** Yes. I'm here, but you're not coming through very loud.

**The Chair:** How about now?

**Mr. Marz:** It could be better.

**The Chair:** Okay. Well, I'm speaking as loud as I can, Richard. I'm sorry. Otherwise I have to use my outdoor voice.

**Mr. Marz:** Yeah. That's better than it was.

**The Chair:** Okay. I think we've got Ms Woo-Paw joining us as well.

**Ms Woo-Paw:** Yes. I'm here, Mr. Chair.

**The Chair:** Thank you very much. With that, I'm going to go over to my right and ask the members at the table to introduce themselves, please.

**Mr. Chase:** Hi, Richard, Teresa, Kyle, and possibly Paul. Harry Chase, Calgary-Varsity.

**Mr. Lund:** Good afternoon. Ty Lund, Rocky Mountain House.

**Mr. Amery:** Good afternoon. Moe Amery, Calgary-East.

**Mr. Weadick:** Good afternoon. Greg Weadick, Lethbridge-West.

**Dr. Massolin:** Good afternoon. Philip Massolin, committee research co-ordinator, Legislative Assembly Office.

**Ms Todd:** Good afternoon. Liane Todd, Alberta Employment and Immigration, employment standards policy and legislation.

**Mr. Thompson:** Tim Thompson, Employment and Immigration.

**Mr. Quest:** Good afternoon. Dave Quest, Strathcona, substituting for Doug Griffiths.

**Ms Rempel:** Jody Rempel, committee clerk, Legislative Assembly Office.

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

**Mr. Hinman:** Paul Hinman, MLA for Calgary-Glenmore, via teleconference.

**The Chair:** Thanks, Paul.

Pursuant to Standing Order 56(2.1) to (2.4) Mr. Quest is participating as an official substitute for Mr. Griffiths.

I hope you had the opportunity to look at the agenda. We're going to need a motion to approve the agenda, please. Mr. Amery. Any questions? Any additions? Any discussion on that? Okay. Seconded by Mr. Weadick. All in favour? People on the phone? Yes? No? Thank you. All right. It's carried.

We've got three sets of minutes going back to May 10, June 15, and June 23. I hope you've had the opportunity to read through them, take a look at them. Are there any questions regarding the minutes, please? Anybody? Things are good? Okay.

Go ahead, Ty.

**Mr. Lund:** I move approval.

**The Chair:** Oh, you move approval. We need one at a time. The May 10 meeting moved by Ty Lund, seconded by Greg Weadick. All in favour? Thank you. Carried.

We need another motion for the June 15 meeting, please.

**Ms Woo-Paw:** I move.

**The Chair:** Moved by Teresa, seconded by Moe Amery. All in favour? Thank you very much.

The June 23 meeting. We need somebody to move it. Thank you, Mr. Chase. He's sitting right next to me, and I don't see his hand go up. Okay. Seconded by Greg Weadick. All in favour? Thank you very much. It is carried.

That brings us to item 4 on our agenda, that review of the minimum wage policy in Alberta and the follow-up information from Alberta Employment and Immigration. In addition to sending officials to provide the committee with technical support, the Department of Employment and Immigration has also provided the committee with a briefing document in response to the questions raised at the May 10, 2010, meeting. This information was included with the materials for today's package. Are there any questions or concerns on that? Is everybody good with that? Okay. Good. Thank you.

Then we move on to item 4(b) on the agenda, and that is handling of the submissions. We're going to need a motion on that. This committee thus far, ladies and gentlemen, has received over 200 written submissions regarding the minimum wage policy in Alberta, all of which are available on the committee's website. We are continuing to receive and distribute follow-up information provided by public hearing participants; however, outside of this follow-up information 56 of those written submissions were received after the advertised deadline of June 7, 2010. Is it the will of the committee that these late submissions be included in a review of Alberta's minimum wage? Are there any questions regarding that? Moe, go ahead.

**Mr. Amery:** No. I'm in agreement that we should accept those submissions that were received after the deadline.

**The Chair:** Okay. Anybody else want to discuss it any further? Everybody good with it?

**Mr. Chase:** I was going to say that if Moe wants to make it a motion, I'll second it.

**The Chair:** Okay. Then we'll ask somebody to make a motion.

**Mr. Amery:** I'd move that.

**The Chair:** Okay. Thank you.

**Mr. Amery:** I move that we accept all the submissions that were received after the deadline of June 7.

**The Chair:** Okay, and include them up until today, then, or up until yesterday? Is that the recommendation? Anything which comes in today?

**Mr. Amery:** Maybe up until yesterday because today is the meeting.

**The Chair:** Okay. Up until yesterday they be included as part of the review. Moved by Mr. Amery, seconded by Mr. Chase. All in favour? Thank you very much. The motion is carried.

That brings us to item 4(c), committee research documents, Legislative Assembly Office, written submission summary. All of the written submissions received by the committee on the minimum wage policy issues are available online. Of course, at the committee's request, the research staff prepared a summary of the written submissions received regarding the minimum wage policy in Alberta. This document was made available to the committee members prior to the public hearing in June, and it includes those submissions received by the advertisement, which was the June 7 deadline. I ask Dr. Massolin, Phil, for a brief overview of this question.

**Dr. Massolin:** Okay. Thank you, Mr. Chair. I'll just go over our submission summary quite briefly. The committee has received 153 written submissions by the committee deadline, which was June 7, as you've indicated, and that's what this written submission summary reflects. A hundred and thirty of those submissions, however, were a form letter from members of the Canadian Restaurant and Foodservices Association. Now, page 12 of our document indicates an entire list of submitters, so you can see who's included in the submission summary there.

Now, the written submissions raised a variety of issues, and I'll go over them quickly now, Mr. Chair. First of all, there's the issue of business competitiveness. A number of submitters commented on how the minimum wage impacts or would impact business operations.

A number of submitters commented on the cost of living and the concept of a living wage; that is to say that the submitters indicated that the minimum wage should reflect a living wage.

Third of all, a number of submitters commented on the calculation of the minimum wage. Views are expressed in terms of how the minimum wage should be determined in terms of, for example, setting it through using the LICO, the low-income cut-off, or using the CPI or other mechanisms.

Fourthly, submitters commented on the characteristics of the, quote, unquote, typical minimum wage earner. These submitters provided their view as to who that typical minimum wage earner was; for example, predominantly students. Some said that minimum wage earners were a very small portion of the labour force. Others said that the minimum wage earners were typically secondary wage earners.

Some submissions also commented on the impact of the minimum wage on disabled workers, students, and taxpayers.

Other submissions commented on the fact that low income is a determinant of health, and the effect of that would be that low-income earners have contributed to the negative effects on the health care system.

Other submitters also commented and made recommendations pertaining to a differential minimum wage, and there are two aspects to this. One is that a differential minimum wage lower than the standard minimum wage should apply for certain positions, such as those wage earners who serve liquor or work in licensed businesses or receive gratuities. There is also the concept of a training wage for new employees.

**1:10**

A few submitters also commented on the economic benefits of the minimum wage; i.e., that raising the minimum wage would also provide economic benefits to the economy in general because minimum wage earners are apt to spend the additional money in the local economy.

Lastly, Mr. Chair, a number of submitters also commented on what the minimum wage should be set at.

Those are my comments with respect to the written submissions, Mr. Chair. I'm available now to answer questions if there are any.

**The Chair:** Okay. Are there any questions regarding the written submissions? Go ahead, Mr. Chase.

**Mr. Chase:** I'm not sure if you're free to offer this advice, but when I see a form letter and just the convenience of somebody putting their signature to it, I don't put as much weight on that type of submission as an individual's created response. There may be similarities in the information, but I feel that if somebody is passionate about a theme, they'll create their own letter. Maybe, as I say, there'll be crossover, comparative statistics. Do you feel free to comment on the weight? I notice that you put a number to it. I think you said 150. It appears like an attempt to overload the committee and persuade a particular decision or direction. That's how I interpret it, but if you feel comfortable, Phil, I'd appreciate your interpretation.

**Dr. Massolin:** Well, Mr. Chair, I'm not comfortable sort of giving my opinion on the issue. What I will say is that 130 of the 153 submissions that we summarized were this form letter. I will also say that we didn't simply repeat the same comment over and over again because there was no point to that. That's pretty well all I can offer the committee at this point.

Thank you.

**The Chair:** Mr. Amery.

**Mr. Amery:** Thank you, Mr. Chair. Thank you, Phil, for the information that you've given us. I wonder, again, if you would be comfortable to comment on what you just said. Some of the submissions indicated how raising the minimum wage would impact the operation of a business. Are you able to give us some of the information that you have received and collected?

**Dr. Massolin:** Well, Mr. Chair, I can offer that there are a lot of comments on that particular issue. Most of the comments are that raising the minimum wage would deleteriously or negatively affect the operation of businesses, especially those businesses that rely on wages. You know, wage labour is a big input cost for them; you can

well imagine why that would be. A lot of the submitters, especially those operating the small businesses in the food service industry, would have made that comment.

**Mr. Amery:** Did they give any idea of by how much, like, if it's raised by, let's say, 20 cents? Did they give an amount?

**Dr. Massolin:** Well, not in the submissions per se, but I think, Mr. Chair, as the member has read elsewhere in appendices to the submission, there is literature out there that does indicate that if you raise the minimum wage by X percentage, that means a decline in employment by Y percentage, right? I think that information has been provided to the committee in, I believe, the appendix to one of the submissions. I think it may have been the Canadian Restaurant and Foodservices Association, if I'm not mistaken.

**Mr. Amery:** Are those in the form letters?

**Dr. Massolin:** No. I think that was the appendix. Maybe Ms Rempel can indicate exactly where that information is for the committee. But I recall that at the Calgary public hearing the question was asked: what is the effect of raising the minimum wage on employment generally in the labour market? The submitter undertook to provide the information. I think that was provided in written form, so the committee has that. I don't want to sort of hazard a guess on exactly what the numbers are.

**Mr. Amery:** Okay. One more question?

**The Chair:** Sure.

**Mr. Amery:** You also mentioned that some of the submissions indicated or suggested what the minimum wage should be set at. Can you give us that number?

**Dr. Massolin:** Well, it varied. Some of them said to just keep it as is, one or two said to lower it, but most of them, I think, said to raise it.

**Mr. Amery:** Okay. Thank you.

**Ms Woo-Paw:** I have two questions, Mr. Chair.

**The Chair:** Okay. Yeah. Thank you.  
Mr. Chase first and then Ms Woo-Paw.

**Mr. Chase:** Thank you, Phil. One of the complaints I sort of raised at the Calgary meeting was the unsubstantiated claims that the hotel and restaurant businesses and some of the small-business presenters were providing. There were no accompanying footnotes or bibliographies to substantiate their claims. We asked that they provide that. Has that substantiation come forward, then?

**Dr. Massolin:** Yes, Mr. Chair. To the deputy chair, that's exactly the document to which I have referred. Perhaps, you know, maybe even later on in the meeting we can get that document printed out and distributed.

**Mr. Chase:** Thank you. I've been out of province and haven't had a chance to review it.

**Dr. Massolin:** Okay.

**The Chair:** Okay. Ms Woo-Paw, go ahead, please.

**Ms Woo-Paw:** Well, thank you. Just two questions for clarification. When you mentioned the relation between the minimum wage issue and health, do you mean looking at employment as a determinant of health? Is that the issue?

**Dr. Massolin:** Well, the issue, Mr. Chair, is just the correlation between low-income earners and individuals in society who have, you know, a disproportionate number of interactions with the health system, if I can put it that way. There's a correlation there. That was made by submitters led by Dr. Gerry Predy, I believe.

**Ms Woo-Paw:** Okay. The second one is the living wage. I remember hearing at least once that someone I guess used \$12.75 as the rate for a living wage. Am I remembering that correctly?

**Dr. Massolin:** Mr. Chair, I'm not exactly sure if it was \$12.75, but I think it was in the twelves, like \$12.50 sort of is my vague recollection. I could be wrong on that, but I think it was in that area.

**Ms Woo-Paw:** Was just one figure quoted, like, consistently by a few groups? A few groups touched on that. Is it the same figure that the groups used?

**Dr. Massolin:** That's my recollection, but I'm not entirely sure.

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

**The Chair:** Thank you very much.  
Mr. Weadick, go ahead, please.

**Mr. Weadick:** Thank you very much. Just a couple of quick questions that you might be able to help me with. Did any of the submissions – I didn't notice in the governing documents – talk about the inflationary impact of minimum wage going up and, therefore, impacting other wages across the board within the province?

**Dr. Massolin:** Mr. Chair, not to my recollection although there is, you know, other literature that speaks to that point. But not in terms of the written submissions as I recall. I could be wrong on that, though.

**Mr. Weadick:** You'd mentioned that there was a form letter of 130. I guess I don't have a whole lot of problem with that. I mean, it's a person's opportunity to voice their opinion. Many of those are filed each and every day in the Legislature by members of all parties. I think they expect us to accept everyone's opinion equally regardless of how the opinion is written. I don't have a real problem with those folks using a form letter to share their views, especially if they have some common views.

Was there any discussion amongst the groups about the pretax/posttax? I know that when you look at the graphs, although we're fourth from the bottom in gross income from minimum wage, when you look at after-tax net, we're probably second or third from the top because the tax implication in other provinces is so significant. Did any of the people talking speak to that issue?

**Dr. Massolin:** Mr. Chair, I can't recall, to tell you the truth, whether or not that came up specifically, but I can confirm, just from the research that the research section of the LAO did, that that is absolutely the case. What you are saying is true, that Alberta stacks up much better when it comes to after tax than it does before tax.

**Mr. Weadick:** Okay. One thing I heard anecdotally just within the community was that when I mentioned to people that we were talking about this, the phrase that I got quite often was: keep it simple. For a lot of small-business people, trying to get complicated formulas for different minimum wages and stuff could be very difficult for them. Their suggestion was to try to keep it a simple formula or at one level for everyone. Was that a theme from any of the discussions, or was it mostly looking at some differential type of system?

1:20

**Dr. Massolin:** Well, Mr. Chair, interestingly enough, aside from the form letter, which obviously spoke to the differential in training wage and, therefore, spoke to the issue of how the wage is to be set, the other submissions didn't necessarily go into how the wage should be set but, rather, talked about the effects of the wage, what the wage should be, and therefore, you know, it would have this effect on poverty. There wasn't a lot of talk about how it was to be set.

**Mr. Weadick:** My final question, maybe to the folks from Employment and Immigration. They may be able to help with this one. I understand that we used to have a differential wage in the province of Alberta. I'm not sure exactly when it disappeared, and I'm not sure if you were here when it did. I was in business at that time, still am. Maybe you could sum up why we went away from a differential basis if you can because all of the recommendations to go back to something we used to have seem maybe counter to something that we've already determined. Maybe you could help me with that.

**Mr. Thompson:** Sure. The old differential that was in place – and there's been a history of some different variations over the years, but the one that I think you're referring to was a differential around student wages if I'm not mistaken. This did happen before our time. I think it was eliminated maybe in the mid-90s, but I may have to follow up with that. What I do recall seeing, however, were some discussions around the rationale for doing that. The thing that kind of pops into my mind was that there was a discussion around the idea of kind of restoring the formality of the meaning of the minimum wage, meaning that it was meant to be a threshold, sort of the lowest possible thing. That's the only evidence that I saw in policy documents around it. It was just to establish that threshold.

**Mr. Weadick:** Thank you. I don't have any more questions at this time.

**The Chair:** Okay.  
Mr. Chase.

**Mr. Chase:** Yes. Just for the record, with regard to Alberta's so-called tax advantage, presenter after presenter pointed out that the majority of people on low-income wage, which are women, 60 per cent, don't earn enough to receive the so-called tax benefits. Now, you pointed out that we're fourth lowest in the minimum wage category. I think that's extremely important, and I don't think the point at which our taxes are calculated provides an advantage to these people who are earning dirt cheap wages. I think that's extremely important. That's not an Alberta advantage for low-income people.

**The Chair:** Are there any other questions?

**Mr. Marz:** Naresh, I have one.

**The Chair:** Okay. Go ahead, sir.

**Mr. Marz:** Although we're fourth lowest not considering the tax structure and, obviously, we're third highest considering the tax structure, that tells me that the tax structure is actually working and saving a lot of people money. Yes, there'd still be some that wouldn't be making enough maybe to pay that, but it does tell me that it is working. If you look at the difference between what it would take to move us up in the category, there are some really close rates in there. I don't have them in front of me, but we're, like, 20 cents behind Saskatchewan right now, so another 20 cents would boost us up equal to Saskatchewan, and I don't know how many would pass us by. So, yeah, we might be fourth lowest not considering the tax advantage, but by how much? I think that needs to be considered, too.

**Mr. Hinman:** I'd just like to comment on that as well if I could.

**The Chair:** Yeah. Go ahead, Paul.

**Mr. Hinman:** I agree in the fact that you have to look at the actual tax position because these people are, like I say, close to the top. I think one of the discussions that was brought forward was the fact that our basic tax exemption at \$15,600 was above what they're earning at minimum wage. I think that's something that we as a province could take to the federal government, to get them to raise and match our basic tax exemption. I can't remember if it's \$15,600 or whatever. I think that taxes are the key that we need to be looking at in order to enhance these people's quality of life and the money that they retain in their pockets. I think we should take on the advocacy federally and go after it in that way. That would serve their interests far better than I want to say the dog chasing the tail in just continually raising the minimum wage but not being able to keep up with inflation.

**The Chair:** Thanks, Paul.  
Anybody else have any questions?

**Ms Woo-Paw:** I have one question, Mr. Chair.

**The Chair:** Okay. Go ahead, Teresa.

**Ms Woo-Paw:** Yeah. Actually, this has nothing to do with the public presentation, but one of the documents provided to us is the U.K.'s National Minimum Wage: Low Pay Commission Report. I'd like to know whether we have a similar kind of study done here in Canada or in the U.S.

**The Chair:** Go ahead.

**Mr. Thompson:** Yeah. I'm not aware of a national study that's been done on a co-ordinated basis, but we can look into that to see if there is a comparable study. I'm not aware initially of one.

**Dr. Massolin:** Nor am I right off the top of my head.

**The Chair:** Okay. Thank you.  
Any other questions before we move on to the next agenda item?

**Ms Woo-Paw:** One more. Could I ask one more question?

**The Chair:** Sure.

**Ms Woo-Paw:** In the same U.K. study they talk about sector-specific, I guess, rates. Do we have this in any of the jurisdictions in Canada or in North America that you're aware of?

**Mr. Thompson:** I'm not aware of it being a predominant pattern. Certainly, you can see a differential being introduced in some cases for certain sectors. I think the one that probably the committee is most familiar with is tip earners or gratuity earners, where there may be a differential introduced. I think that when you see the European discussion around that, in fact, in some countries collective bargaining is done to determine the minimum wage within particular sectors. There's certainly nothing that resembles that in Canada or the United States. There may be some subtle variations for certain industries. Perhaps farm and ranch workers, for example, may be another one as well.

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

**The Chair:** Thank you.

The last question, by Mr. Chase.

**Mr. Chase:** Thank you. With our Immigration guests here as well as having Dr. Phil's expertise, I have not seen a percentage assigned to the number of people earning minimum wage who are recent immigrants, but I have that strong gut feeling that a significant percentage of the 60 per cent who are women are potentially recent immigrants. Do we have any statistical background for that?

**Mr. Thompson:** I'm not aware of any that have been done to that particular degree. The question of sort of how recent and how to operationalize that number may be a bit of a challenge as well. We can undertake to look into that to see if there is any information available.

**The Chair:** Thank you.

**Ms Woo-Paw:** Mr. Chair, I have another question.

**The Chair:** You sure, Teresa?

**Ms Woo-Paw:** Yes.

**The Chair:** Okay. Go ahead.

**Ms Woo-Paw:** Thank you. I recall looking at the minimum wage earner profile. I think that up to almost 28 per cent of the people actually have postsecondary education. Is this a trend? Do we know? Do we have more information about this population of people?

**Mr. Thompson:** We haven't seen a lot of analysis around kind of attempting to explain sort of the rationale or the storyline behind various earners throughout that. I'm not sure, you know, what kind of work may be around that. For example, I know that quite often there is speculation that these may be, in fact, students who are in between work, who have picked up some work over the summer, who have done that, but I haven't seen anything that's quantitative, like more objectively driven, evidence-based research around that. I know that that sometimes is provided as some accounting for those numbers. Some may be recent arrivals as well. We can look into that and see if there is more information around that.

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

**The Chair:** Thanks, Teresa.

We're going to move on to item 4(c), which looks at research briefings arising from May 10. In response to the questions raised at the May 10 meeting our research department has looked at a number of questions which were asked of them. One of them is British Columbia Programs that Support Employment and Low Wage Earners. Other questions were Business Taxation in Select Alberta Municipalities, Employment Wages and Standards for Alberta Farm Workers, and The Minimum Wage and the Cost of Living in Alberta. I'm going to ask Phil to comment on all four of them, please.

1:30

**Dr. Massolin:** Well, Mr. Chair, I didn't really prepare any comments for those documents, but I'm here to answer any questions that the committee members have.

**The Chair:** Okay. Then we'll ask that question: does anybody have any questions regarding any of that stuff? Mr. Chase, go ahead, please.

**Mr. Chase:** Thank you. A concern that we raise almost on a weekly basis is the ability for people to have compensation when they're injured. We have highlighted farm workers on a regular basis, but the reality in Alberta is that there is the equivalent of four single-spaced pages of employee groups that are not covered by workmen's compensation. Therefore, when they're injured, they have no sort of recompense or ability to provide. Have any of the studies dealt with not being able to be compensated with programs such as workmen's compensation and how that affects, obviously, the minimum wage that they're not receiving? I realize it's kind of an abstract notion, but there are so many Albertans who aren't covered or protected. I'm just wondering if that is factored into any of the research.

**Dr. Massolin:** Well, Mr. Chair, I haven't come across any study. Not to say that there isn't any, but I haven't come across anything.

I don't know if our colleagues from Employment and Immigration have anything to offer on that point.

**Mr. Thompson:** The only thing I would add about it is just that in some of the deliberations I've had with stakeholders in that sector, the issue of wage levels, while I'm sure they would like them to be higher, hasn't been put to us as an issue of minimum wage or whether or not they're being paid somehow under the minimum wage. My sense is that the standard rates are above the minimum wage in that sector. That hasn't been a source of lobbying, I guess, to put it briefly.

**The Chair:** Any other questions on that? Okay.

If not, then we are going to move to our next item, and that's 4(c), which looks at the research briefing arising from public hearings. A briefing document has been prepared in response to some of the issues raised during both the Edmonton and Calgary public hearings.

Phil, any comments on that?

**Dr. Massolin:** Yes. I can comment briefly on the research document that the LAO research section prepared. It responded to two basic sets of questions arising from those public hearings you mentioned. The first had to do with students and the effect of high costs of education on students' success in terms of finishing their degrees or their programs. Specifically, the questions are: the number of students who are unable to pursue a full course load due

to costs, the number of students who use more than one-third of their income on housing, the percentage of students who are dependent on campus food banks, and the average debt load of postsecondary students at graduation.

Now, what I can offer on that is the following. The research section was not able to find any measure of data that provides specific information pertaining to those questions. As far as we could find out, it doesn't exist. However, there is information available on students' persistence. Persistence means "the ability of students to continue their post-secondary studies from one year to the next and ultimately to proceed to the completion of their program." There's also information on the sources of financing for students in order to pay for the postsecondary programs. That information is contained within that briefing, specifically in section 2.1 of that briefing. There is also information on the average debt load of students, and that information is readily available. The briefing also contains information on the number of students or the proportion of students using food banks, and that information can be found in section 2.3 of our briefing.

Mr. Chair, the other question was the average number of hours minimum wage earners work, and that's section 3.0 of our briefing. Section 3.0 discusses the average number of hours minimum wage earners work. You can see from figure H, which is on page 11, the usual number of hours minimum wage earners worked per week for the various industries which are listed there between April 1, 2009, and March 31, 2010.

The only other thing I would offer on that is to indicate that this information comes from the Statistics Canada labour force survey. Therefore, it may not be representative of the total – absolute total – number of minimum wage earners in the province but, rather, those who were surveyed. Second of all, I should say that this chart provides information concerning the wage earner's main job. It doesn't provide information, therefore, on a secondary job.

Those are my comments, and I can answer questions if need be.

**The Chair:** Are there any other questions?

Okay. Thank you very much.

That brings us to 4(d), committee deliberations on the minimum wage policy in Alberta. As we commence our discussions today, I would remind committee members that this review was undertaken in response to the request from the Minister of Employment and Immigration. The minister has asked for our observations and recommendations for designing a minimum wage policy that encourages employment and is responsive to Albertans' needs. When we advertised for public input, we indicated to Albertans that this committee was reviewing the minimum wage policy – I'm just going to quote this – "to ensure that it meets the current and future needs of workers and employers and remains relevant throughout changes to the economic climate." I would encourage committee members to keep this in mind during your deliberations and to remain focused on this. I've talked to, actually, individual members as well prior to moving in here.

So we're going to basically open up the discussions. Under the standing orders we have, obviously, as you all know, six months to complete our review, which gives us a reporting deadline of October 12, 2010, of course. With this, we're going to move forward and ask if you have any questions or concerns. Phil is here to answer them.

Mr. Chase, go ahead, please.

**Mr. Chase:** Thank you. Just a concern I want to state. Both in the Edmonton presentations and the Calgary presentations from the representatives of the hotel and restaurant association there was a suggestion of having a sort of minimum wage that would reflect a

Canadian average, that somehow local factors – inflation, cost of living, et cetera – not be taken into account. I would like to suggest that in drafting Alberta's minimum wage policy, we need to take into account the cost of living beyond just plain existing in this province. Therefore, on the averaging idea, while it has value, I don't see it as limiting Albertans to a specific wage that possibly would work in Saskatchewan or possibly would work in B.C. I think we need to have a sort of made-in-Alberta solution.

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

I'm just going to remind members that when we're on deliberations, if you can be just a bit more specific to what your recommendations are, that would be greatly appreciated.

Mr. Marz, you had a question.

**Mr. Marz:** Yeah, I have a question.

**The Chair:** Okay. Go ahead, sir.

**Mr. Marz:** We have a rating before us about where we rate against other provinces: fourth from the lowest, but considering income tax, third from the highest. What would those two comparisons be had the average weekly earnings been applied to the \$8.80 this year? Where would we stand on those two issues then? We'd certainly rate much higher than we currently are. Where would we actually be?

*1:40*

**The Chair:** Thanks, Richard. I'm going to ask Tim to answer that question.

**Mr. Thompson:** I can't give you a precise answer because I don't have the metrics worked out in front of me. My recollection is that had the increase been put into effect . . .

**Mr. Marz:** Could you speak into the mike, please?

**Mr. Thompson:** Sorry. My recollection is that had the increase been put into effect, we would have moved I believe marginally within sort of the field that we were in, at least for a short period of time, that there were a continuing series of a number of further increases that were going to supplant us, so we weren't going to significantly move up. I believe we might have moved one position on an after-tax basis. But I really would like to follow up on that to get the precise numbers.

**Mr. Marz:** That would be helpful to me.

**Mr. Thompson:** Okay.

**The Chair:** Mr. Lund.

**Mr. Lund:** Well, thank you, Mr. Chairman. We did hear a lot of interesting comments, I thought, in the public hearings, but I think that when we establish how we're going to go forward, we want to keep it simple so that it's easily understood. I would like to see us continue to use the average weekly earnings as the measure for moving forward. While I can appreciate that the cost of living, for example, in Fort McMurray or Calgary versus Rocky Mountain House is quite different, I think it would be extremely difficult to try to come out with a process where you'd have different minimum wages throughout the province.

I don't agree with the idea of having one minimum wage for



people just entering the workforce versus somebody that's been there for a while. I think there are times right now, when we're in a real slowdown and many small businesses are scrambling to make a go of it, that the attitude would be quite different from one, maybe two years ago or three years ago, when there was a shortage of workers.

If we go by the average weekly earnings as the measure for the setting from the base, I think that's what I could support.

**The Chair:** Okay.

**Mr. Hinman:** Could I comment?

**The Chair:** Go ahead, Paul. Then we've got a list of speakers, please.

**Mr. Hinman:** Okay. I guess I want to just kind of follow up on the sentiments of Ty there. I agree with a lot of that, but one of the problems that we seem to struggle with here in Alberta with a cyclical economy is that we're always reacting, and we're reacting late.

The minimum wage idea has gone back many years, and the question is: does it really serve the interest of the people? As Ty says, if you go back just two or three years ago, the minimum wage wasn't an issue because businesses were having to pay to keep the workers, and now we've gone down the other way. But had we tied it to the CPI index, there would've been many businesses that would've had to have given raises this year, and it would have been further detrimental.

We always seem to think that we can interfere as government and that this really isn't going to affect us. But the problem when we interfere – and, again, Ty mentioned this – is that there are very different economies throughout our province. Where are we going to set the minimum wage so it works for us, for Grande Prairie and Edmonton or for Calgary or Fort McMurray? When we're trying to make this one sweep fit all and keep it simple, we affect more people in a negative way than a positive way when we're talking about the businesses and the entrepreneurs who are trying to start these things.

I just have a real concern that, you know, as our economy continues to – what would I say? – recover, I just don't feel that down the road it's going to be a problem again. So we're going to create an interim problem now by wanting to raise the minimum wage and hurt the recovery rather than just let the free market gently move its weight around, up and down, as opposed to the government stepping in. With what I was hearing and the reports that we listened to and that I've read, everybody says: well, it doesn't affect it. Well, then, why don't we make it \$20? They say: well, 10 cents doesn't matter; 30 cents doesn't matter. But it always does, and the problem with economies is that when you've reached the tipping point, it's too late when it switches. We can sit there and load up and load up and say: well, it's okay. We can put more tax weight, more burden on these industries. They're okay. The hotel industry is okay, tourism is okay, and then all of a sudden they collapse from the weight.

I'm just really concerned that with the CPI we're going to say: oh, that needs to go over there. I have a greater concern in trying to say that, well, we're going to address the issue across the province and set one minimum wage when, in fact, if you look from Coumts to Fort McMurray over to Grande Prairie and back through Edmonton and Calgary, it just doesn't fit all the way across. We should be looking at letting the market determine that minimum wage and not us thinking that we understand industry and immigration and the workforce far better, and therefore we can set it and industry is going to do well.

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

We've got Moe, and then we'll have Richard and Teresa on the speaking list.

**Mr. Amery:** Thank you, Mr. Chairman. Throughout the hearings in Edmonton and Calgary we have heard many presenters stating that only about 20,000 people in the province of Alberta work on minimum wages. I agree that this is a small number when you're considering the whole workforce in the province. But, again, we have 20,000 people, and as has been mentioned before, these are women, immigrants, students, people who have just arrived here, new Canadians. Even though there are 20,000 people, they should be protected, and they should be earning decent wages.

I agree with what Ty said if I heard it correctly. I think we should use the average weekly rates, and it should be a made-in-Alberta minimum wage policy.

**The Chair:** Okay. Thank you very much, Mr. Amery.

**Mr. Chase:** I just wanted to support Ty in having the weekly average being a key factor in determining the wages because it is an Alberta-based measurement. It is reflective of our economy.

With regard to Paul Hinman and laissez-faire free market forces, we're the tip of the tail of the global dog, and we get wagged by prices that are set for our nonrenewable energy commodities. If we don't have some kind of governance setup to help us through the highs and lows, then we're going to continue to be on that roller coaster. We've seen what happened when market forces are allowed to go unrestrained: asset-backed commercial paper, bank failures, mortgage failures, bankruptcies. I'm hoping that good governance can provide a bit of an insulator from those external forces. I do believe there is a place for governance in directing the economy and levelling the situation from going in the hole one year and then providing increases the following.

**The Chair:** Thank you.

Teresa, followed by Richard Marz, please.

**Ms Woo-Paw:** Okay. Thank you, Mr. Chair. I'm supportive of what MLA Lund has proposed, but also if we can find ways to give the employers more time to make the adjustment. I think we've heard that over and over again in the presentations. I think they need a little bit more predictability as well as a little bit more time to budget and plan. I think that if we could explore ways to give them that extra time, it would be helpful.

I would also like to say that I think that we have heard from the employers' perspective, and they have provided some very clear and compelling evidence and proposals. But we also heard from the social sector, and this is the third sector in our society after the public and the private sectors. This includes, of course, the faith groups and the social services groups. The minister also wanted us to look at how this policy would be responsive to both the employers as well as the employees, that would also meet the needs of the employers and the employees.

**1:50**

I would like to propose that we take a more comprehensive look at this time at the impact of minimum wage on the earners. Maybe we should also put aside some time to look at what are some of the things that we as a province are doing, as British Columbia, to address the disadvantaged, those who are the minimum wage earners. I would like to propose that we also take this time to take a look at the impact on the earners.

**Mr. Hinman:** Could I comment on Harry Chase in a bit?

**The Chair:** Just one second, please. We've got Ty Lund on this point. Unfortunately, Paul, you're not here, so it's pretty tough to comment on him. I'm just kidding.

**Mr. Lund:** Thanks, Mr. Chairman. I only have a very short comment. When Teresa mentioned giving the employers a bit of lead time, well, this might be a bad example and a bad time to use it, but the fact is that Statistics Canada first comes out in about February – I think it's probably in about February, and our friends from the ministry can correct me – and then the final sometime towards the end of March. Now, that's where we got, of course, into difficulty this year with the teachers, because there was a different factor thrown in from the time that the estimate came out to the final. That's where we got caught.

**The Chair:** Okay. We have Richard Marz and then Paul Hinman, please.

**Mr. Marz:** Well, Ty alluded to the point I was going to raise. I don't mind having some type of criteria that everybody can look to, but I really have reservations about pegging our minimum wage in Alberta to some federal formula or to some way that the federal government or another government is making a calculation because they can change that from what is intended. The teachers' contract is a prime example of that. It would have been interesting to see – and I'm not going to speculate, but I'll let everybody else do that – if the calculation would have gone against the teachers instead of in their favour, if the arbitrator would have said: no, there is going to be a rollback even though you bargained in good faith for the formula the way it was at the time.

If we're going to use something like the average weekly earnings, we should put some verbiage in there to the effect of "as it is calculated at such and such a date" or actually find out what the formula is specifically and write that right into it, as calculated this way or that way, so any changes would not be automatically incorporated into it.

I think Teresa also had a very good idea of a lag time. We could probably put the date of raising the minimum wage three months after – or put a number in there; I'm just using the number three months – the final calculation is announced, and that will give them a bit of time to adjust to it.

The other thing is that I wouldn't mind if we would look at if there is some room in the increase in the minimum personal income tax exemption as well and what we would have to do to that to make a positive effect upon the employees.

**The Chair:** Thank you, Richard.

Mr. Hinman on Harry Chase's point.

**Mr. Hinman:** Just a few comments on this. I didn't say laissez-faire market; I said the free market but an accountable market. The asset-backed papers and many of the examples that Mr. Chase referred to were all failings of government to hold those people accountable or the creditors accountable, and that's where we have the problem.

We do have labour laws. We talk about minimum work time. We talk about, you know, how many hours a day they can work. We talk about overtime. Many of those are areas where we need to ensure that the workers are protected.

Even if we take the Alberta weekly earnings, I mean, Lethbridge hasn't been hit as hard as Calgary or Fort McMurray were. Again, when we try to say, "Oh, this is the new weekly earnings in Alberta," when you have a robust economy going, whether it's Fort

McMurray or Calgary that's having huge increases, that has an effect on the outlying areas, yet they're not having that change. When you look at even the housing prices, whether they're going up or down around the province, they're all going at various levels and times, and they're not in sync. That's just all part of a cyclical market. So if we keep thinking that we can step in as government and impose these minimum wages and say that this is good for the entire economy, I think we have some people that think that they're economists that know the world better than the actual businesses themselves.

It's a real concern to me that we keep looking at different formulas, yet we don't look at regions. We recognize that, well, we need to be our own region outside of Canada. All those things are right, but I just feel strongly at this point from what I'm seeing and seeing what's happening in the housing industry and with wages and the workforce being increased on a constant basis right now and the recovery going on, that we don't need to attack those start-up industries or those areas that are vulnerable by saying: they're doing well here, so we're going to make you increase your weekly wage there.

I very much agree with what I think Richard was saying. What we need to be looking at is the taxes. We should be going forward as the Alberta government saying: "You know what? We need the federal government to raise the basic tax exemption." We need these people in low wages to not be penalized with a tax structure that makes it prohibitive for them to enter the workforce. I think the strongest thing that we can do as a province is to advocate what we have with a high basic tax exemption, saying: this is what helps those people the most. Why do we continue to tax them? I think that we can do far more good for them by advocating that at the federal level than trying to enhance a little bit here only to lose 30 or 40 per cent of any raise to the federal government through taxation.

**Mr. Marz:** On this point, Mr. Chair.

**The Chair:** Okay. Go ahead.

**Mr. Marz:** The problem I see with having different minimum wages for different regions is that you end up with a higher minimum wage in the cities than you do in the country. That might be fine on the surface, but people are going to migrate to the city to get the higher paying jobs, especially if there is the demand for them. The demand itself is going to create that migration, but the higher wage is even going to end up being harder on the small businesses in the regions because they're not going to be able to get the people. Ultimately, they're going to end up having to offer higher wages to keep them.

**Mr. Hinman:** Point of clarification, Mr. Chair?

**The Chair:** Okay.

**Mr. Hinman:** I didn't say to have two different ones. I said that we shouldn't be stepping in and wanting to raise the minimum wage. I'm just concerned about wanting to raise it up.

I'd also question that a lot of people move. They move to Fort McMurray and get a 50 per cent wage increase only to realize the cost of living was 75 per cent and they were further behind. The market has an ability to do those things.

No. My concern is: leave the minimum wage where it's at. We don't need to be chasing the dog's tail, thinking: oh, we've got to raise it because of inflation, because of weekly earnings, because of a robust economy and then a poor economy. What we need are good principles.

Like you were saying, Richard, the important thing is: how do we ensure these people keep more in their pocket? We need to be advocates for them at the federal level, to quit taxing these people to the point where they say that it's not worth working.

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

Mr. Quest, followed by Mr. Fawcett.

**Mr. Quest:** All right. Well, thank you, Mr. Chair. Just to follow up, I support what Ty said in the beginning there. We need a made-in-Alberta solution. We need something very simple for employers, something very predictable, so the idea of the average weekly earnings index makes sense. I think it does need to be, again, made in Alberta, so it needs to be an Alberta average weekly earnings stat that we use. I was an employer for many years, and really you don't worry as an employer that much about a 20 cents an hour or a 30 cents an hour difference. What you want is clarity and direction and long-term stability to have an idea where you're going. I like that idea of just the one driver, the average weekly earnings index.

2:00

As far as letting the market decide, well, unfortunately, in real life there are those that may take advantage as employers, and that's why we need a minimum wage. Again, in a robust market nobody is paying minimum wage anyway, so it becomes somewhat irrelevant. Those are my comments.

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

Mr. Fawcett, go ahead, please.

**Mr. Fawcett:** Thank you very much, Mr. Chair. I do appreciate the comments from all members of the committee. One thing that I learned through the public presentations and all the submissions that were made was that this is, obviously, a very complex issue. When we're talking about such a wide variety of issues, from our economic prosperity to attracting investment to effectively utilizing our labour force to making sure that all of those in our province have a high quality of life, you know, we tend to look at them together as very complex issues, and at times, I think, from a policy standpoint we say: well, it's a complex issue, so it deserves a complex solution.

But I think that sometimes, while it is complex, we probably would do more damage by developing a policy solution that is complex as well, and we're better served by going with something simple. I certainly agree that we should, you know, not consider some of these proposals that were put forth around differentials and whether they be regional or based off a beginning wage or a wage for those that have jobs with tips. I think that just complexifies the matter. I know that when it comes to both individual choices of people and choices of businesses, they like simplicity over complexity.

The other thing is that I would agree with a number of the members of the committee that have made comments – Richard, Paul, others – that have talked about that what we can really be proud of is if we're able to change the personal exemption and raise the personal exemption for income tax. I am a strong proponent of that, and I would be very, very supportive of anything that the committee could do to bring that forward as an issue both to the provincial government and to our federal counterparts.

Thank you very much, Mr. Chair.

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

To Mr. Chase. That's on Mr. Hinman's point now.

**Mr. Chase:** I agree with comments about raising the tax reductions, you know, encouraging our federal counterparts to go through that as well.

With regard to, actually, Mr. Marz's comment, "Where do you stop with an average weekly earning?" I would suggest that in a collaboratively agreed circumstance, it would be possible to fix a date, but that date wouldn't be June 1, 1883, and roll back wages to that particular date. It would obviously have to be a date within the year that the agreement runs. With the teachers' agreement it was a five-year agreement, and each year a percentage of increase or staying the same was a negotiated circumstance that the government initially reneged on and that now for a variety of reasons has been rectified, unfortunately after the school boards did their budgeting.

It's extremely important that we note trends. The idea that somehow the average weekly wage is going to dramatically reduce and we're going to see a 1930s-type circumstance that would legitimize a reduction in wages is unlikely to occur.

With regard to the cities versus the country circumstance, Fort McMurray is an anomaly, and the government can help sort of level out some of that anomaly as it has done in providing more land, for example, for the building of affordable housing. The government does have a role in assisting. Considering the major employment regions are Calgary, Edmonton, Red Deer, et cetera, having a wage that reflects the average weekly earnings there provides fair compensation for those people living in the most populated areas of the province, and it benefits those that are in the less expensive rural areas. But, again, employers can provide some help. For example, the dormitory-style housing in both Banff and Jasper helps offset the horrendous prices, for example, in Canmore.

The government can always help out in terms of affordable housing and subsidies. I mentioned what we're all experiencing, those of us who have the good fortune of having STEP students for the summer. That's a form of government subsidy. There are opportunities to create a made-in-Alberta fair minimum wage, whether it's the average weekly earnings or a similar factor, and doing well by all minimum wage earners throughout the province by using the large population areas when coming up with a formula.

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

Mr. Amery, go ahead, please.

**Mr. Amery:** Just briefly, Mr. Chairman, in response to Paul Hinman. Paul, next time you're serving pancakes beside the Prime Minister, please whisper in his ear that Alberta minimum wage earners don't pay any Alberta income tax, but they pay federal income tax.

**Mr. Hinman:** I will do that, Moe.

**The Chair:** Thank you very much. Are there any other questions or comments? Okay. Then that's wonderful.

I'm going to go to 4(d). Just a quick thing. Under the standing orders we have six months to complete our review, which gives us a reporting date of October 12, 2010. Using the discussion and directions outlined today, we'll have our staff prepare a draft report for our considerations.

Phil, do you have any questions, or do have the direction kind of?

**Dr. Massolin:** Kind of, Mr. Chair. Would you, you know, indulge me if I just sort of repeated what I think the key sort of recommendations or suggestions of this committee are? Then perhaps we can get clarity as to whether or not my estimations are correct.

**The Chair:** Okay. Before you ask, Mr. Lund has a comment.

**Mr. Lund:** Well, just to add a couple more things that I thought of that would be necessary to have in the draft report, and that would be that the wage would be set using the average weekly earnings, but the base at which the addition would be would be on the \$8.80 that is currently the base wage, and it would take effect April 1, 2011.

**The Chair:** Okay. Thanks, Ty.  
Mr. Chase, quickly.

**Mr. Chase:** I agree with Ty and the April to correspond with the government budget.

**Mr. Lund:** We heard in the public presentations that the industry needs to have some lead time, so they would get that lead time.

**Mr. Chase:** Phil, I don't expect you to crystal ball as to what the economy and our weekly earnings are going to be as of April 1, but if you wouldn't mind just looking at the 2010 circumstance, the middle of the year – in other words, say, a June 15 date – just what difference it would make had the minimum wage been raised by that amount as of June 15 of this year. It might provide some interesting information as opposed to the freeze that we are currently experiencing.

2:10

**The Chair:** Teresa, did you have a question?

**Ms Woo-Paw:** I thought that you had proposed that we actually adjust the date.

**The Chair:** Ty was recommending a date, yes.

**Ms Woo-Paw:** I thought Richard had suggested that the implementation would be three months after the announcement.

**The Chair:** Okay.

**Mr. Marz:** On each year.

The other thing, Mr. Chair, I didn't hear much comment on from other members was to have some clarification written right into it because this Alberta average weekly earnings, I believe, is information calculated by Stats Canada, which we have no control over. If they change their way of calculation, it could drastically affect the employees or the employers, negatively or positively, in a way that we didn't anticipate. So I think if we're going to accept the average weekly earnings, we've got to specifically write the formula in that is currently being used because that's what we're currently looking at. How it's being calculated today could be quite different tomorrow.

**The Chair:** Yeah. I think Ty brought that up a couple of times, a made-in-Alberta solution.  
Thank you.

**Mr. Hinman:** I just want to reiterate what Richard is saying, though, that it is made in Alberta, but it's affected by outside, and the CPI indexes and things are changed constantly because the government, you know: fuel has gone up; well, we're going to take it out; we're going to reduce it. I think the formula, if we're going to have one, needs to be specific, that it's housing, it's fuel, and it's this. Then if the formula changes, well, it's not necessarily going to change with

the change in formula. I like what Richard says: let's be very definitive on what's going to create that inflation index that we're going to use and not just leave it vulnerable to other jurisdictions or even ourselves changing it.

**Mr. Marz:** If we agree with what the federal formula is today or the Stats Canada formula is today . . .

**The Chair:** Yeah. We're not talking consumer price index; we're talking average weekly earnings.

**Mr. Hinman:** Yeah, but they all change.

**Mr. Marz:** Yeah. That's all calculated by information gathered by Stats Canada.

**The Chair:** Okay. Mr. Chase has got a comment.

**Mr. Chase:** Just one thing I don't want to have happen is that we declare this year basically a moratorium on the minimum wage increase and that we don't change the status until April 2011; in other words, that people suffer the minimum wage restrictive frozen policy for an entire year. Somehow in our solutions we have to come up with a counter to the current freezing so that people aren't trying to deal with the circumstance for an entire year. Hopefully, that can be built into it. It could be this is not the most acceptable way of doing it, but at least have a retroactive increase that goes back to the day it was frozen this year. Otherwise, people have missed out for an entire year because of the freeze.

**The Chair:** Thank you.  
On this point, go ahead.

**Mr. Quest:** Thank you, Mr. Chair. I don't think that we could reasonably expect employers to bear that retroactive piece.

**Mr. Hinman:** Thank you for saying that.

**Mr. Quest:** Yeah. Whatever we do – I mean, shortening the time frame for the change is fine, but anything retroactive could be quite a penalty.

**The Chair:** Thank you.  
Okay. Back to Phil, please.

**Dr. Massolin:** Okay, Mr. Chair. I'll take a stab at trying to encapsulate the committee's recommendations to this point, considering, of course, that it is going to be a committee's report, the committee as a whole, I mean.

What I have so far here is that the committee wants to create a made-in-Alberta solution, which would be based on the Alberta weekly earnings, which would have in it sort of the formula expressed so that there would be clarity as to what the formula is. Now, the first question I would have about this major recommendation would be the effective date. Oh, one other point is that it would be based on the \$8.80 an hour and move up from there. My question is: what is the effective date? I've heard two basic things, that the effective date would be April 1, 2011, or that it would be three months after the announcement. I would need clarity there.

The other aspect that I've heard from the committee is also that there would be a lead-time provision, and by that I believe what is meant is that employers would be given ample lead time to understand what the increase is and, therefore, what the effect would be on their businesses.

Finally – and, of course, there could be more – what I’ve also heard a lot of talk around is that the basic personal exemption on the part of the federal government for income tax purposes be increased.

With that, I’m looking for further direction or clarification.

**The Chair:** Okay. On his first point, who would want to comment? Go ahead, Ty.

**Mr. Lund:** If I could clarify what I was getting at. There is an interim number – I think it’s in February – that Statistics Canada offers. It’s usually held pretty much, with maybe a little bit of variance in March, when they come with the final number. If we made it effective April 1, then the industry really would have a pretty good idea back in February what that number is going to be.

Now, if the committee believes – and I’m not hung up on this – that that isn’t enough time and wants to go to the 1st of June or something, well, that’s okay, too. The only problem with all of that is the fact that the longer you set it out from the 1st of January – because a number of businesses operate on the calendar year, now the individuals with their wages have gone six months past when the increases have happened in the industry up to January 1. This is based on a calendar year, not our fiscal year. Even moving it out to our fiscal year is still giving three months there where the wages in the other parts of the industry have occurred. That’s why I picked the shorter rather than the longer, but that’s strictly up to the committee.

**The Chair:** Okay. Tim, you’ve got a comment on that?

**Mr. Thompson:** Yeah. Thank you, Mr. Chairman. I thought I might just share for a moment some of our experiences that we had while we were operating under the index last time around. Like I said, I leave it for your information more than anything.

We did have a bit of inconsistency in terms of the timing of the reports that were provided by Statistics Canada. I think that in the last year we know the reason why, because there was a major recalibration that went on, but even the year before that, the first time, where we had initiated this index. There was a bit of a time crunch in terms of delays in that final, reconciled report coming out. In fact, if I’m not mistaken, what we ended up essentially working from was the December final interim numbers that were put forward. Again, there is an element of risk from a statistical point of view that they may not be the final numbers in there. From our policy side that was always a source of some anxiety. I just thought I would put it out there that that was an issue.

**Mr. Lund:** Yeah. Thanks. It’s good info.

**The Chair:** Moe.

**Mr. Amery:** Well, thank you, Mr. Chairman. This last response from Employment and Immigration answered my question.

Thank you.

**The Chair:** Thank you.

**Mr. Chase:** I fully understand the need to be fair both to employers who are paying the wage and to employees who are receiving it. In terms of the lag time or the thought that employees are going to lose out this year, possibly what we should be doing is saying that we’ll look back. In other words, whatever the average weekly average is in September of 2010, that’s what the expectation as of January 1 should be. I’m just thinking that this might be a way of providing that predictability, giving employers a specific date within the

specific year, noting that that’s the amount that will have to be paid for January 1 through to December 31 of the following year. I think it would also give employees an understanding of what their minimum wage would look like and whether that was a particular job that they wanted to pursue or whether they were going to try and go back to school. But I’m very concerned about an entire year passing without an increase in the minimum wage when a lot of folks in Alberta are suffering.

2:20

**The Chair:** Thank you.

Phil, any other questions?

**Dr. Massolin:** No. I don’t have further questions. I just would like to ask through you, Mr. Chair, to the committee whether or not my sort of synopsis accurately or more or less for the purposes of a draft report reflects what the committee has decided to recommend to the minister.

**The Chair:** Okay. Having heard the question, are there any comments, or should we give him the direction to go ahead with what he just presented? People around the table here are nodding. I can’t see you guys nodding on the telephone, so we need to hear yea or nay, please. Are we all good with that, guys? Thank you very much. I hope that that gives you enough direction, Dr. Massolin.

**Dr. Massolin:** Well, I must confess I’m still a little bit fuzzy as to the point at which the minimum wage would come into effect, but I think I can draft something, and I suppose that at the next meeting we could hammer this out and finalize it.

**The Chair:** Okay.

**Mr. Marz:** Well, it has to be, Mr. Chair, when these things are normally calculated based on our year.

**The Chair:** When are they calculated? Is that the question, Richard?

**Mr. Marz:** Well, it’s kind of got to be based on that. I don’t know if we can just as a committee pick a date ourselves without incurring more costs in getting people to start calculating something prematurely rather than a time frame they’d normally calculate to get the numbers.

**The Chair:** Richard, Tim has got a response to that. Go ahead, Tim.

**Mr. Thompson:** Just a very minor point around that. The traditional date for our minimum wage announcements has moved over time. There have been minimum wage increases that have been brought forward in April. Others have been brought forward in September. Those have been the two dates. I believe somewhere in the murky past there may have also been some January 1 introductions. The department’s sort of policy around announcements had traditionally been – and this is going back a ways – to try to provide at least 90 days’ notice for those increases, but that wasn’t always the case, depending on the circumstances particularly germane to that time. I thought I would share that information.

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

We’re moving on to item 5 on our agenda, any other business. Are there any other questions or business arising from some of the discussions we’ve had? Okay. Thank you.

Then that brings us to item 6. That is the date of our next meeting. We'll probably have the next meeting generally in mid-September, and of course we'll poll all the members. Wherever we get the most response, we will call the meeting at that time.

With that, thank you very much, guys. We need a motion to adjourn the meeting.

**Mr. Marz:** I'll move.

**The Chair:** Moved by Mr. Amery since I couldn't see your hand go up, Richard. Thank you very much.

Enjoy the day. Thank you.

[The committee adjourned at 2:24 p.m.]



