



Legislative Assembly of Alberta

The 27th Legislature  
Third Session

Standing Committee  
on the  
Economy

Minimum Wage Policy Review

Wednesday, September 15, 2010  
1 p.m.

Transcript No. 27-3-11

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

**Standing Committee on the Economy**

Bhardwaj, Naresh, Edmonton-Ellerslie (PC), Chair  
Chase, Harry B., Calgary-Varsity (AL), Deputy Chair

Amery, Moe, Calgary-East (PC)  
Fawcett, Kyle, Calgary-North Hill (PC)  
Griffiths, Doug, Battle River-Wainwright (PC)  
Hinman, Paul, Calgary-Glenmore (WA)  
Jacobs, Broyce, Cardston-Taber-Warner (PC)\*  
Lund, Ty, Rocky Mountain House (PC)  
Marz, Richard, Olds-Didsbury-Three Hills (PC)  
Taft, Dr. Kevin, Edmonton-Riverview (AL)  
Taylor, Dave, Calgary-Currie (Ind)  
Weadick, Greg, Lethbridge-West (PC)  
Woo-Paw, Teresa, Calgary-Mackay (PC)

\* substitution for Teresa Woo-Paw

**Also in Attendance**

Notley, Rachel, Edmonton-Strathcona (ND)

**Department of Employment and Immigration Participant**

Myles Morris	Director, Employment Standards Policy and Legislation
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Wednesday, September 15, 2010

[Mr. Bhardwaj in the chair]

**The Chair:** Good afternoon, ladies and gentlemen, and welcome back. At this time I'd like to call the meeting to order. Welcome to the Standing Committee on the Economy. At this point we're going to go around and introduce ourselves, including the staff, and then later we will ask the people joining us by telephone to introduce themselves as well.

To my right, go ahead, please.

**Mr. Chase:** Good afternoon. Harry Chase, Calgary-Varsity.

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

**Mr. Jacobs:** Broyce Jacobs, Cardston-Taber-Warner, sitting in today for Teresa Woo-Paw.

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

**Mr. Morris:** Myles Morris, director of employment standards policy and legislation with Alberta Employment and Immigration.

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

**Ms Friesacher:** Melanie Friesacher, communications consultant, Legislative Assembly Office.

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

**Mr. Taylor:** Dave Taylor, Calgary-Currie.

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

**The Chair:** Naresh Bhardwaj, MLA, Edmonton-Ellerslie.

Thank you very much. Some of the people around the table are of course joining us. We do have people from Employment and Immigration joining us: Tim Thompson, executive director. Tim, welcome. From the legislation branch we've got Myles Morris.

At this point – I think Mr. Jacobs brought it up earlier – pursuant to Standing Order 56(2.1) to (2.4) Mr. Jacobs is an official substitute for Ms Teresa Woo-Paw.

Also, please introduce yourself on the telephone.

**Mr. Weadick:** Hi. This is Greg Weadick, from Lethbridge-West.

**The Chair:** Thanks, Greg.

Also joining us is Ms Notley. Go ahead, please.

**Ms Notley:** Thank you. Rachel Notley, Edmonton-Strathcona.

**The Chair:** If we could have someone move the motion to adopt the agenda. Any additions, subtractions to the agenda? Okay. Moved by Mr. Chase, seconded by Mr. Moe Amery. All in favour? Thank you. Carried.

I just hope that you've had an opportunity to review the minutes from our last meeting. Are there any questions, concerns from the last meeting? Things are good? Good. We'll have somebody move the motion, then, please. Moved by Mr. Chase. All in favour? Thank you. Carried.

Also joining us today: Doug.

**Mr. Griffiths:** Thank you. Doug Griffiths, MLA for Battle River-Wainwright. Sorry for my tardiness.

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

That brings us to item 4 on the agenda, and that is a review of minimum wage policy in Alberta, follow-up information from Alberta Employment and Immigration. Alberta Employment and Immigration has provided a written response to questions raised at the last meeting. Are there any questions on that document before we move on to 4(b)?

Dr. Taft, say hello, sir, for the record.

**Dr. Taft:** Thank you, Mr. Chairman. Sorry I'm a couple of minutes late. I just got caught up in transportation.

**The Chair:** Are there any questions on item 4(a), the report from Alberta Employment and Immigration? If there are none, we are going to move on to item 4(b), discussion of draft committee report.

At our last meeting we had extensive deliberations regarding the minimum wage policy. Our support staff, under the guidance of Dr. Massolin, have prepared a draft for our discussion. Please take a look at the proposed draft. We should actually go through it item by item so that we are all more or less on the same page.

**Mr. Hinman:** Can I make one correction on it, to start with?

**The Chair:** On which one, sir?

**Mr. Hinman:** On the draft.

**The Chair:** That's where we're going right now.

**Mr. Hinman:** Yes. But they've got me as a PC on the standing committee, and nothing's changed through the summer.

**The Chair:** Okay. It should also be on the internal website, I think. It should have been. Did you get a chance to print that off? This draft is on the internal website as well. Does anybody have a copy of the draft so we can pass it on to Mr. Hinman? Okay. You're good to go, sir?

**Mr. Hinman:** Yes. They've assured me that it's been changed on the website, so that's good. We won't pass too many of these papers around.

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

Okay. Let's go through it, then. Should we go through it one by one, then? All right. Let's take a quick look at the recommendations. "The Standing Committee on the Economy recommends a made-in-Alberta solution." Somebody else should take over. Have a peek at that one. Take a look at the preamble to what's being recommended.

**Dr. Taft:** Mr. Chairman, sorry.

**The Chair:** Yes, sir.

**Dr. Taft:** Are we looking at the preamble, or are we looking at the recommendations?

**The Chair:** The recommendations – sorry – not the preamble. It's 2.0 on there. It says, "The Standing Committee on the Economy recommends a made-in-Alberta solution to the minimum wage policy." That's what we're looking at right now.

**Ms Notley:** If I could. I wasn't here at the last two meetings, but I did read over the transcripts from them, and it had seemed to me that the concept of made in Alberta was something that was being discussed simply in relation to the formula that was being used as opposed to the whole process. So I'm not sure that having it in sort of the introductory paragraph is actually applicable to the whole thing. I mean, it's verbiage at the end of the day. You know, I'm not sure if it goes beyond just that one piece talking about how the formula is arrived at.

**The Chair:** Mr. Marz.

**Mr. Marz:** Yeah. In relation to what Ms Notley said, too, that the preamble recommends a made-in-Alberta solution, but then number 1 basically says: indexed to Stats Canada formula of Alberta weekly earnings. So I'm not sure if it's made in Alberta or made in Ottawa as far as the formula goes. I'm wondering if we should include other indicators such as market-basket measures or inflation or a combination of some of those factors.

**The Chair:** Thank you.

**Mr. Chase:** With regard to the made-in-Alberta solution there are positives and negatives. The positive is that we're trying to come up with a minimum wage that reflects the Alberta reality. As you read further into the draft report, it talks about not having a different wage for a rural circumstance versus a city circumstance because that would unduly punish rural areas with people migrating to the cities.

With regard to Statistics Canada being a federal measurement, while it's federally produced, it's an accurate reflection of the census data locally, so it's not an intrusion. It's a reflection of our specific situation.

So trying to come up with what's best for Albertans given inflation, given the cost of living, CPI, and so on is extremely important, but I appreciate Rachel's concern that the weekly average in itself may not be the single solution.

**Ms Notley:** Just to clarify, that wasn't actually what I was saying, although it could easily have been interpreted that way. It was really a very benign point about sort of the flow of the report and the fact that the made-in-Alberta piece I thought was to relate to the measure. I agree with you that the measure is not made in Alberta, but it's about Alberta, right? That's the measure. I think that the measure that you folks all agreed on last time or appeared to agree on, based from my reading of the transcript, is probably the way to go, and it reflects Alberta reality. I just didn't know that the whole – you know what? Just forget that I raised the issue.

**1:10**

**Mr. Taylor:** Oh, I wish that I could, Ms Notley.

I think, Mr. Chairman, that by virtue of the fact that this committee was charged with making recommendations around changes to or continuance of Alberta's minimum wage policy, it's kind of redundant to say that we recommend a made-in-Alberta solution. It was our job to come up with a made-in-Alberta solution, and our recommendations I think reflect that. If I could, I would just suggest that we change the wording of the preamble within the recommendations, 2.0, to read something along the lines of: the Standing Committee on the Economy makes the following specific observations, opinions, and recommendations with respect to minimum wage policy in the province of Alberta.

**The Chair:** Take out the "made-in-Alberta."

**Mr. Taylor:** Yeah.

**The Chair:** Any thoughts, or are we trying to do wordsmithing here?

**Dr. Taft:** I can live with that; I can live with it the way it is. I didn't have any problems with the first point. I'm always reluctant to have committees get into wordsmithing.

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

**Mr. Hinman:** I'd just like to make one comment on the fourth bullet.

**The Chair:** Can we do the first one, or are you going to do the preamble? If we jump all over, we're going to be here forever.

**Mr. Hinman:** Sorry, I had to step out for a second.

**The Chair:** For what it's worth, you haven't missed a whole bunch yet.

**Mr. Chase:** We could repeat for you if you want.

**Mr. Hinman:** No. I thought we were doing that in the first one because we kept talking about Statistics Canada.

**The Chair:** We are going to come back to that. Thanks.

Anybody else? Any comments on that? If not we're going to put it to a vote then. Anyone who is okay with the wording as it is, please, a show of hands.

**Dr. Taft:** Mr. Chairman, I think there might be some confusion. When Paul talks about the fourth bullet, I think he means the fourth bullet under the first recommendation.

**The Chair:** Yeah. I was just trying to clarify to Paul, Dr. Taft, that we're just simply looking at the wording under 2.0, Recommendations. It says: "The Standing Committee on the Economy recommends a made-in-Alberta solution to the minimum wage policy and makes the following specific observations," or whatever the wording is. That's what Mr. Taylor was referring to.

**Mr. Marz:** Just the preamble.

**The Chair:** Yeah. Just the preamble is what we're referring to, none of the bullets yet. Okay. Do you want to read yours out, Richard?

**Mr. Marz:** No. I just was saying that what Mr. Taylor was referring to was just the preamble, so that's what we're voting on. That's my understanding. That's what we're voting on.

**Mr. Amery:** Mr. Chairman, just for clarification. Are you saying "makes the following observations" instead of recommendations?

**The Chair:** He wants to take out "made-in-Alberta."

**Mr. Amery:** Okay.

**The Chair:** Please. Go ahead, Mr. Taylor.

**Mr. Taylor:** Do you want me to repeat?

The Standing Committee on the Economy makes the following specific observations, opinions, and recommendations with respect to the minimum wage policy in the province of Alberta.

The only rationale I would offer for this – and believe me, Mr. Chair, I do not view this as a hill to die on, either – is that that gives you very straightforward, businesslike, neutral language to begin the recommendations so that nobody can get bogged down in an argument about whether this is, you know, made in Alberta enough.

**The Chair:** Everybody okay with that? Yes? All in favour? Okay. Thank you, Mr. Taylor. Good job. Mr. Fawcett.

**Mr. Fawcett:** Yes. I'm on the line.

**The Chair:** Thank you.

All right. Now, we're going to move on to point 1: "The minimum wage should be indexed to Statistics Canada's Alberta average weekly earnings." That's what we were on earlier, what Richard was talking about. Any discussion on that?

**Mr. Chase:** At our last meeting when Ty Lund recommended return to the weekly average, the general consensus was one of support.

**Mr. Amery:** I was just going to say that Richard made a recommendation just a few minutes ago.

**The Chair:** He did, yeah.

**Mr. Amery:** Maybe he would repeat it, and we'll discuss it.

**The Chair:** Can you repeat that, Richard?

**Mr. Marz:** Basically, it would be that minimum wage be indexed to Stats Canada Alberta weekly earnings as well as market-basket measurements and inflation, a combination of those.

**The Chair:** And other things. Okay.

**Mr. Marz:** And it's not a hill for me to die on either.

**The Chair:** Okay. Anybody else?

**Mr. Taylor:** Mr. Chair, through you to Mr. Marz, could I ask for just a little bit of explanation as to how that would work? It seems that you're proposing that we now index the minimum wage to three different things, three different issues. I'm wondering how we would combine that.

**Mr. Marz:** It could be an average of the three. It's just more than one measurement. I believe we heard a number of things through the public consultations, a number of different things. This would simply combine, you know, input from everybody into the formula.

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

**Mr. Hinman:** Thank you, Mr. Chair. My biggest concern is the fourth bullet, that says, "The 'market' is not a reasonable determinant of the minimum wage." I think therein lies the problem with much of what we've been striving to do on this committee in coming up with a solution. Again, I'll bring it up here because this is the start of the debate, and it's going to come up several times more, in

my opinion. Down on the third point, second bullet: "It would be difficult to develop a process where different minimum wages would be legislated in various locations within the province." I think the market is a very good determinant.

As much as what we want to do is try to address poverty or those underemployed with a minimum wage, it has the same reflection as putting caps on rent. Eventually it just causes problems. It's a temporary fix. So I'm very concerned. The market is actually the most efficient and best way. When we're going to try to do one wage for the whole province when the cost of living – we talk about all of these things, trying to determine the minimum wage, yet we throw it all into one big batch and say that this covers the province.

I think that we're going back and forth. At the very least I would want to take that statement out. I don't feel that what we want to say is that we want to supersede the market and do something, but to say that the market is not a reasonable determinant I think should be removed from there.

**The Chair:** Mr. Chase, go ahead, please.

**Mr. Chase:** Just on the notion of the weekly average, I personally believe that it's a starting point as opposed to an end point, but it does reflect the sort of average financial circumstance across the province of Alberta. We've indicated, as Paul Hinman has pointed out, that trying to achieve what's best for Iron Springs versus what's best for downtown Calgary is a very hard target to reach, so you have to come up with some type of at least beginning standardization. If you throw in market-basket measures, you also have winners and losers because, obviously, it's more costly to live in an urban circumstance than it is in a rural.

Again, I want to keep that weekly average there as our beginning baseline point.

**The Chair:** And add a few more to it, or leave it as just that alone?

**Mr. Chase:** I think the weekly average reflects the economic condition throughout the province. Obviously, where the populations are highest is where the cost of living is also the highest, and that's reflected in that Statistics Canada weekly average figure.

**The Chair:** Doug.

**Mr. Griffiths:** Thank you, Chair. With all due respect to Mr. Hinman, that third bullet says, "The 'market' is not a reasonable determinant of the minimum wage." I understand where you're coming from, but quite frankly I think the fact that we set minimum wage means that we've admitted that the market is not an adequate determinant. Otherwise, we'd just dissolve and say that there's no set minimum wage, and the market will decide what the lowest pay is.

**1:20**

**Mr. Hinman:** And that was my original motion, what we should do.

**Mr. Griffiths:** Okay. Well, I kind of think we've gone beyond that. I like that point in there to make the emphasis that we've accepted that the market isn't, obviously, the best.

Now, I agree with Mr. Marz's point. Using average weekly earnings strictly goes back to the system we had before. It may have been effective, but quite frankly it doesn't reflect real costs such as inflation because they're not necessarily tied together. It doesn't reflect the actual cost of living. So putting down average weekly earnings, market-basket measures, and inflation – is that what you said, Mr. Marz?

**Mr. Marz:** Yeah.

**Mr. Griffiths:** I don't know exactly whether they should be averaged together or how the combination would work. That may take some more exploration. I do believe it should be entrenched in some legislation. But it allows us the ability to account for inflation, market-basket measures, the actual cost of living, and the average weekly earnings to make sure someone doesn't fall behind. I believe that would give us a fairer minimum wage. So I agree with Mr. Marz.

**Dr. Taft:** I like the idea of simplicity and clarity, and that's mentioned somewhere further down here. I'm happy for it to stay as it's drafted in terms of average weekly earnings.

In terms of the fourth bullet, I might have missed this in earlier meetings, so my question would be to Mr. Hinman. Is it Wildrose Alliance policy that there should not be a minimum wage?

**Mr. Hinman:** We haven't as a caucus gone over that, but certainly as an individual representing them, we feel that – I guess if you go back to the market two years ago, minimum wage wasn't a problem here in the province. People were getting paid over and above that. When you sustain that, it actually stops businesses from starting up and going again.

**Dr. Taft:** I just had a simple question. Is it the policy of the Wildrose Alliance not to have a minimum wage for Alberta?

**Mr. Hinman:** We have not voted on that as a caucus.

**Dr. Taft:** Okay.

**The Chair:** Okay. Mr. Hinman, it's your turn now, too.

**Mr. Hinman:** Can I go back and reflect to Mr. Griffiths? If we're going to even start to have a market basket and look at those things, we've got a difficult split here when under the third comment it says that it would be difficult. We're undermining the Alberta advantage, in my opinion, to say that this minimum wage is going to do a basket measure when the number one cost for living is our houses. When you look across the province, there's just a huge difference between a house in Irons Springs versus one in Calgary or Fort McMurray. If we're going to start to try to index it to benefit our communities, we've got to have it at a community level. I mean, to me, we can't have one and the other. To say that we want a market basket and then tell someone down south in Milk River that they must pay the same as someone in Grande Prairie doesn't make any sense.

I'd argue with Mr. Griffiths, that we shouldn't just say: well, we've always been doing it, so we're saying that it needs to be done. If we're going to do it, then we need to do it regionally, not provincially, because it defeats the purpose. Someone in a small town where the cost of living is significantly less has to pay the same amount as someone in Fort McMurray that's paying a tremendous amount. To me, like I say, it doesn't seem like there's any consistency in what we're trying to approach here.

**The Chair:** Thank you.

Rachel, go ahead, please.

**Ms Notley:** Yes. I appreciate, I think, what Mr. Marz is trying to get at with respect to sort of opening up the formula, but I have a couple of concerns with that. First of all, frankly, I think that for us to sort

of start engaging in this kind of playing with other formulas, we're opening up a door we ought not to be going through until we've had a whole bunch more information provided to us, what the implications are of these different measures. From my reading of what the committee has discussed and considered thus far, we really haven't had a lot of information provided to us in terms of what these measures look like, these percentages.

My experience with discussing the market-basket measure, actually, when I hear about it, is that that's something that ought to be used as a means of determining the actual minimum level of overall pay, not tracking the rate of increase but rather the base level. I'd be happy to have market-basket measures form a calculation of what our minimum wage should be because I think we'd end up raising it quite significantly since we know that our current minimum wage doesn't get people what they need to be able to put into their market basket.

Having said that, though, since what this piece is about is just the rate of increase on a regular basis, I think that simplicity is the way to go. I think that linking it to something which is most directly related to the topic at hand, i.e. wages, is a fair way to go. I think that that represents the consensus the committee reached, effectively, at the last meeting. I would recommend that we carry on, then, with the Alberta weekly earnings measure.

As far as the last bullet goes, I of course agree with what the bullet says, in contrast to Mr. Hinman, but I think the bullet is an argument for a minimum wage. It's not actually an argument for this particular calculation, for how it increases, so it might not be quite rationally linked to the point in question. We can do what we will with that.

**The Chair:** Thank you.

**Mr. Griffiths:** Well, with a market-based measure I understand there are a lot of challenges, and I agree completely. I actually, though, Paul, think that your argument supported the fact that maybe market-based measurement should be a bit of a consideration.

I think we'd all feel a little shameful if the average weekly earnings increase, given this economic downturn, was low but inflation was still running high. I mean, every economist I know right now is talking about how the economy is stalled. Average weekly earnings are not increasing, but with the way they're printing money in the U.S., you could wind up with rampant inflation. If that's not a factor, then we wouldn't be doing justice to people who are earning minimum wage.

Market-basket measures: the same situation. You could wind up with average weekly earnings going up by 2 per cent, but the actual cost of living – and maybe it doesn't include owning a home or rent. I'm not prescribing exactly the way it should be measured. I'm just suggesting that considering all three of those means we can come up with the fairest minimum wage possible. Only adopting the one takes us back to the situation that we just came from. I mean, we had average weekly salary increases. That's what we were using. We for some reason overwrote it because it wasn't working, and now we're recommending we go back to the same thing.

I think that there are some broader implications that we should consider. I don't know exactly how you incorporate them, but I do think that our recommendation should say that there are multiple ways to measure, and finding the best, most rational way needs to include the average weekly salary increases, inflation, which could run rampant, market-basket measures, which are not necessarily tied to average weekly salary increases. I just think that broadening it would make it more beneficial.

**Mr. Marz:** I'd just respond to a concern Mr. Hinman brought up and his argument for a different wage, I believe, in Grande Prairie, for

example, than in southern Alberta. Just for clarification, didn't the committee argue previously that having different minimum wages in different parts of the province would cause a migration of workers from one to the other, causing a greater problem for the employers, that there'd be a greater shortage of workers there because they could get away with paying a lower minimum wage? People tend to migrate to Alberta for a host of reasons that are economic. There's nothing saying they wouldn't migrate to different parts of Alberta for the same reason. They do now, so we don't want to exacerbate that for employers in that sector.

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

**Mr. Hinman:** Well, I would very much say that that's a red herring, and it's just the opposite. Alberta has one of the lowest minimum wages, but people move here because of opportunity. It's actually not minimum wage but the top wage that's being paid. I remember speaking to an individual from southern Alberta who sold his home, doubled his pay, moved up to Fort McMurray to find out that he would never be able to recover from the debt that he took on, but it was the big pay that attracted him. I don't think that minimum wage is what causes mass migration, saying: oh, there's a wonderful opportunity in Calgary because they're paying \$12 where out in Brooks they're only paying \$10. I think it's a red herring. No, it wouldn't do that.

1:30

To get back to some of the other comments though, I think it's quite obvious that most government members and, I'd say, current MLAs in the Legislature very much believe in centralization, central government, central decision-making, and that the market doesn't work. I mean, that being what it is, we'll speak and we'll go forward. But to think that the market isn't a reasonable determinant, that's a very strong line to draw and say that we're going to determine it. This is what our problem with the Alberta advantage is: we're saying that one size fits all when it doesn't.

We can look at our own economy in our own province and see the huge difference in cost of living from the north to the south, from central to east or west. To say, "Well, everyone needs to have this base minimum wage," we're actually, I would say, exacerbating the problem and not going to recover as soon as we can. We're going to hurt those rural areas that have to pay a higher wage compared to the index, and people will be moving to the city because of that, because we're hurting business. It's about the Alberta advantage. What businesses can we run? Can we be competitive? I just think that we're going the wrong direction.

**Mr. Marz:** I'd have to disagree because my experience is that there is a shortage of workers in those minimum wage sectors in rural Alberta right now.

**Mr. Hinman:** There certainly is, and it's because they can't afford to pay it.

**The Chair:** Dr. Taft, go ahead, please, and then we'll put it to a vote.

**Dr. Taft:** Yeah. I'm happy with the phrasing there. Certainly, for the Alberta Liberals we believe that the Alberta advantage is for all Albertans, whether they're at the top of the scale or at the bottom of the scale, whether they're able-bodied or disabled, whether they're well-educated or undereducated, whether they're white farmers or aboriginal northerners. The Alberta advantage isn't just for

business. It's for all Albertans. And I think this speaks to that. The market does fail at various times for many Albertans.

**The Chair:** Paul, go ahead, please.

**Mr. Hinman:** I guess I'd like Dr. Taft to clarify, then. Is what he's saying is that it's a controlled economy, then, and that it doesn't matter what you're learning, what your job is, that we should have a flat pay for everybody across the province, that whether you're a brain surgeon or wherever the other end of the scale is, we should all be paid the same, with one government-regulated rate, that this is what's going to be best for our economy going forward?

**Dr. Taft:** Well, Mr. Chairman, I think that's an absurd conclusion to draw from my comments.

**Mr. Hinman:** It's certainly what it sounded like, that the government knows best on what to pay, and business has no business in determining that.

**Dr. Taft:** I'll leave it to people who read *Hansard* to sort that one out. Thanks.

**The Chair:** Okay. Are there any other comments on that?

I was going to ask – we basically have two different opinions here. One is to basically leave it as it is, and the other is what Richard is recommending, to include other measures than just what is on there currently, which is Stats Canada. Richard, I think, has gone to the washroom. Let me rephrase that. Richard has just stepped out. I'm sorry.

What we're going to do is that we're going to ask somebody to basically rephrase what Richard just said, and then we need to take it to vote, I guess.

You want to comment before we do that?

**Mr. Chase:** Well, I can try and attempt to capture what Richard was indicating, and that was that in determining a base, he felt that the weekly average wasn't sufficient. What I think the majority of the members around this table realize is that market-basket measures, inflation, CPI are determinants, but the weekly average is the easiest vehicle to then move from those local conditions.

Sorry. I was attempting to paraphrase your concerns.

**The Chair:** But I think he can do that.

**Mr. Marz:** You told the whole world that I'd gone to the washroom.

**The Chair:** We were just trying to have fun here.

Okay. Richard, go ahead, please. What we're trying to do is – there are differences of opinion here – we'd like you to paraphrase or basically state your statement, and we need to take it to vote.

**Mr. Marz:** Well, I didn't really count on the group recording in *Hansard* my nature break, but the damage is done.

Minimum wage should be indexed using a formula that could include such indices as Stats Canada Alberta average weekly earnings, market-basket measures, and inflation.

I don't know if I want to include "amongst others" and leave that to the discretion of the minister to look at that to allow some flexibility or if you just want to leave it at that.

**The Chair:** Okay. Richard basically stated that. I'm sure everybody who is here and joining us over the telephone has heard it. All

in favour of that, please? A show of hands, I guess. Okay. All the people who are not in favour of this? Four. People abstaining? Okay. It's carried. Thank you. I'm not going to try to paraphrase it because it'll be difficult for me, so it's carried as presented by Mr. Richard Marz. It's in *Hansard*.

We have two questions coming out of this. That was just the fun part.

**Mr. Chase:** I just request the support of both Employment and Immigration and Dr. Phil Massolin in coming up with some type of statistical formula that would allow these other considerations to be included. Having taken the educational statistics and dealt with formulas that had numerators of about 23 figures with denominators of 17, I think the complexity that was just voted by the majority is going to be hard to bring into a reality formula. I've just tasked Philip for the next 27 years of his life with coming up with a formula for minimum wage.

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

**Ms Notley:** Yeah. I'm actually quite concerned about what we seem to have inadvertently voted on. I think inadvertently because when I listened to the conversation, I don't think we intended to go there. Mr. Marz sort of ended with "and others" and talked about flexibility, so I'm not exactly sure what that's going to look like when it's all written. We don't know what it looks like. We don't know what the balance is. We don't know how much of this measure is going to be used this time and how much of that measure is going to be used that time. So after having spent all this time meeting and talking and hearing submissions on the issue of indexing the minimum wage, we are now basically saying, "We're going to leave it up to the minister of employment," which seems to me to be a fundamental variation from (a) what the consensus was at the last meeting and (b) the work of this committee.

I'm really quite concerned that we appear to have inadvertently voted on something that is so flexible and so discretionary that we're really calling ourselves into question here. I don't know that we intended to, but that's what we've just done.

**The Chair:** Okay. We've got a speakers list here. Mr. Taylor, followed by Paul and then Richard.

**Mr. Taylor:** Thank you, Chair. I would echo what Ms Notley is saying. I was one of those who abstained on voting on that last matter because, quite frankly, I didn't think the wording of the change was clear enough that I necessarily could understand the full intent of it, that I could see myself, were I the Minister of Employment and Immigration, understanding what the direction from this committee was. As I look at his memo to you, Mr. Chair, directing us to review minimum wage policy, I think the expectation is in here that we would come back with something that did not say: well, Mr. Minister, the ball's back in your court.

**1:40**

Now, I was not at the last meeting. Like Ms Notley, I read *Hansard*. I gathered the same thing from the *Hansard* transcript of the last meeting that she did, I think, in that the consensus was around doing average weekly earnings as determined by Statistics Canada for the province of Alberta. I think that there have been arguments advanced here that have been credible that if you just restrict it to that, maybe you don't capture the full impact of what's going on in the Alberta economy at any one time. We do know that

wages tend to lag prices, not the other way around. So I think there's some merit in the idea of considering more than one measure despite the simplicity and the transparency of what was recommended initially. That simplicity and transparency certainly appeals to me because everybody can follow what we're doing. Whether they necessarily agree with it or not, they know what we're doing and why we're doing it.

I would have much preferred a motion or an amendment that was very specific and very clear in terms of specifically what measures, what indices, we were going to consider, no "and others" tacked on there, and something to speak to the formula or the ratio on which these things would be considered.

**The Chair:** Just a clarification before we proceed further. Number one, Ms Notley is not on the committee, so therefore she cannot vote. Secondly, you cannot abstain. You have to vote one way or the other, as per the regulations that we have here.

**Mr. Taylor:** Mr. Chair, if I may. If that's true, do we have to go back and revote, then, because I did abstain, and I obviously made a mistake?

**The Chair:** Yeah. Okay. We'll decide that.

**Mr. Marz:** To be fair to the last two speakers, Mr. Chair, when I was searching for wording, I actually thought we were going to discuss it more rather than vote on it immediately. So I can actually appreciate the comments that both of the last two speakers came up with.

With the permission of the chair and the group here. I've done some actual revamping of the intent of what I said. If we could look at that, if the group is willing to hear me out, then perhaps vote on that because it's more specific? If I may.

**The Chair:** Is everybody okay with that? Yeah.

**Mr. Marz:** The minimum wage should be indexed using a formula that will include an average of Stats Canada Alberta average weekly earnings, market-basket measures, and inflation. It's three things, and it's an average of those three things. You come up with this figure, this figure, this figure, divide by three, and that's what it is.

**The Chair:** Okay. A bit of a discussion?

**Mr. Griffiths:** Now, Richard, you've lost me. Look, we were directed by the minister – and I do understand the concerns expressed by Ms Notley and Dave. I know that there would be some concern about a third, a third, a third or just adding them all up and dividing by three. I don't think we should be that prescriptive. I think we need more investigation to find out whether inflation counts for 10 per cent and you weight market-basket measures at 50 per cent, how it gets weighted. I don't think this committee's job is to do that exact prescription either. We're charged in the letter from the minister to re-explore the policy.

The policy, as I understood, stated by Mr. Marz was that instead of just using Alberta average weekly earnings, which might be unfair in an inflationary time or with high rising costs of living besides just inflation, using those three indices in some capacity would be fairer to coming up with an appropriate minimum wage. What exactly it is, I don't know. That requires a lot more research. I don't know that our role is to actually prescribe the exact formula. It's to set the policy.



The discussion and the recommendation and the reason why I supported Mr. Marz's motion is that just using average weekly salary increases is not fair and appropriate, and the policy should include other indices to make sure we can get it fair. That's my understanding, and that's the way I would support it.

**The Chair:** Okay.

**Mr. Chase:** I don't have any trouble with the generic notion of taking into account other measures, but when we start getting formulaic about it, as Doug Griffiths pointed out and as Dave Taylor introduced, then we're adding a tremendous degree of complexity to the issue.

I'm also concerned that with that motion we basically shut down the committee because that was sort of an ending motion, saying: "Okay. Take into account these various measures. Here you go, Minister. Here's our advice to you. End of discussion." I think it's premature to end that discussion. I do believe these other measures have value, but how they enter into the formulaic calculation would be extremely hard to determine because market-basket measures alone are so very complex. How do you delineate which market-basket measures you're going to take into account and what percentage of that formula will be included? That's why I think the weekly earnings was, as I mentioned, a starting point. If we make this thing so complex, the minimum wage is going to stay stuck at \$8.80 for an awful long time.

**The Chair:** Ms Notley, go ahead, please, followed by Mr. Hinman.

**Ms Notley:** Yes. You know, the rationale that Mr. Griffiths gives sounds good at the outset, but the problem is that even with the revised language that Mr. Marz has provided, we don't know where we end up with all of this, and the public doesn't know where they end up.

From the perspective of the committee even though there's greater certainty with the language that Mr. Marz came up with, which is an improvement from where we were before – and I'm not a committee member, but because I am a Member of the Legislative Assembly, I have the ability to come and give my opinion to the committee. In so doing, I would want to be able to give my opinion on an issue like the one Mr. Marz is putting forward after knowing that the committee has had an opportunity to consider the policy arguments around each of the measures he's proposing to now inject into this process. At this point the committee has not turned its mind to that question.

We haven't heard about the relative pros and cons to each of those measures in terms of the sensitivity, whether the timing of each is done in a way that is sensitive. Maybe market-basket measures give you a better measure, but maybe it takes you eight months longer to get the right measure. For instance, depending on your situation, inflation works or it doesn't work. These are the kinds of things that I think we have to actually as a committee turn our minds to before we come up with a clear, prescriptive proposal that varies so much from what we've been talking about up till now.

With respect to what Mr. Griffiths says, on the flip side, sort of giving it over to the minister to exercise his discretion in the way that is most fair, I'm sorry. You know, we didn't give the poorest people in Alberta a wage increase this year theoretically in the name of fairness, so I'm a little uncomfortable with having an approach that is so open that we could potentially end up in a situation where, as Mr. Chase said, we don't see an increase in the minimum wage for years to come. That's the problem with Mr. Griffiths' approach even though that's not the way he framed it. I'm not suggesting you're intending that. All I'm saying is that the flexibility that you're calling for could easily end up with us in that situation.

Either we ask for more information about the merits of the additional strategies that Mr. Marz is proposing, or we go back to that which we have spent the last five meetings talking about, which is the weekly earnings index.

**The Chair:** Mr. Hinman.

**Mr. Hinman:** Thank you, Mr. Chair, for that recognition. I wanted to speak after Rachel because I did agree with her, and I was one of the ones who voted against that recommendation that passed. I think that what we're demonstrating here is that for this committee or for some economist to come along and say that this is what's going to work is what I've been talking about all along. We don't know. Even the smartest economists in the world can't project what's going to happen, whether it's in eight months or six months. Right now it might be inflation in this cycle that is going to cause the problems, so inflation is what we need to tack it to if we're going to try and control the market. Next time it could just be housing costs if they double, and that's part of inflation. Each time it's something a little bit different, and the more that we try to control the market and have the market react to us, the more it gets skewed.

*1:50*

Like I say, we're chasing a dream here to say that we can come up with a formula that's going to solve this. Minimum wage isn't going to address it. I mean, we talked about other areas of taxation and whatnot, but again if we're going to try and do it, which this committee is bound on doing, we need to follow the third bullet, "clarity, direction and long-term stability." To be saying that this year it's going to be inflation or the weekly average earning or whatever it is is always going to be trying to be a catch-up because the market always seems to surprise people. If it didn't, we'd all be rich because we know where it's going and where to invest.

So it needs to have clarity. We need to point that out. To say, "Well, we're going to have a 50 per cent weighting on inflation, next year it's going to be 50 per cent weighting on the average weekly index, and next year it's going to be the Canadian statistics" adds ambiguity. It's not certainty for business. We need to have it solid so that business knows, can forecast where it's coming from, not every year reconvening this committee because the current one didn't work, so we abdicate it and say: well, let's come up with a new formula. It needs to be a solid formula. If we're going to do that, which I think the committee is determined to do, let's make it solid and predictable and not wandering around depending on what the new crisis is because the markets changed direction, and we didn't foresee that.

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

**Mr. Chase:** I don't know if this would work, Richard, but I think your intent was to have the other considerations like market-basket measure and inflation taken into account. Right now we as committee members don't have sufficient information to do that. I'm just wondering if you would consider withdrawing your motion and tasking both representatives from Immigration and Employment and our wonderful researcher, Dr. Philip Massolin, with looking into the rationale of including other measures such as inflation and market basket and having their report come back to us so that we could determine if this is actually feasible and so we can keep working on improving the calculation of the minimum wage.

**Mr. Marz:** Can I do that?

**The Chair:** Well, our report has to be submitted, I think, by sometime in October. We do have six months from the start date to

now, so we have been debating this. A suggestion would be to put what you think is workable on the table, and then we'll vote on it, and let's proceed with that. It's up to you, Richard.

**Mr. Chase:** Do we have Parliamentary Counsel? I think Richard is asking for a clarification as to whether he can withdraw his motion to take out some of the complexity.

**Mr. Marz:** I'm not sure, but I think I'd have to entertain a motion to rescind the previous motion and have that voted on and have further study. Could some of the staff advise us as to the process?

**The Chair:** Well, I've just been informed there was a motion on the floor. It's been voted on. The motion has been passed, so that motion is carried. We could have another motion which could, I guess, rescind it if we have to. So that would be one option you have. But in terms of your original wording, which we captured and has been voted on, that particular motion has been carried.

**Mr. Marz:** Well, I'd like to hear from more members before I'd be prepared to do that, but I'm open to doing that if that seems to be the will of the group.

**The Chair:** Okay. Mr. Chase, go ahead.

**Mr. Chase:** Well, if it will make it less . . .

**The Chair:** Sorry. Mr. Taylor.

**Mr. Taylor:** No. Let him go first.

**Mr. Chase:** Sorry. Then based on the fact that we need further research, if the motion can't be withdrawn, then I would move that it be rescinded pending further study. I realize there is a ticking clock timeline, but as a committee we're tasked with doing this thing right, and we can't do it right without knowing the impacts of these other factors in determining the weekly average calculations. So my proposal is that we rescind the previous motion pending further study.

**Mr. Taylor:** To speak to Mr. Chase's motion, I would support that motion for a number of reasons. One, I think we've been talking now for the last several minutes about the issue around the lack of clarity with the first motion, that we perhaps inadvertently passed. I say that because I inadvertently abstained on the motion without realizing I wasn't supposed to do that, but I did that, as I pointed out before, because of the lack of clarity around it.

Two, there is an appeal, that was obviously a consensus appeal at the last meeting, around the clarity and the transparency of simply tying minimum wage to average weekly wage earnings.

Three, I certainly don't believe and I don't really think that anyone around this table believes that where you set minimum wage all by itself is going to solve all the economic and financial problems of those who toil for minimum wage. We need to go deeper and broader than that. If we did believe that we could eliminate poverty or solve people's financial troubles simply by upping the minimum wage, I think we would have achieved consensus by now that it had to be up to at least \$12.25 an hour to meet the low-income cut-off. We haven't done that. We clearly haven't done that.

I think there is a recognition around this table, Mr. Chair, that minimum wage, the setting of minimum wage and setting a policy that allows us to at regular and predictable times revisit the minimum wage and adjust it according to a formula, is one tool that we

have to assist those who may need some assistance. It's not perfect, and it shouldn't be the only answer, but in terms of the part of the answer that it provides, we should keep it as simple, as clear, and as transparent as possible. So I would support the motion to rescind.

**The Chair:** Okay. Any more discussion on that?

**Mr. Amery:** Mr. Chairman, if we rescind this motion – and I heard you saying that you're going to submit the report in October. Is that date in October a date that's carved in stone, that has to be in October, or could it go to November, for instance?

**The Chair:** I'm going to ask Dr. Massolin to give us the date. I think it's October 12, isn't it, Dr. Massolin? I think it's six months as per the standing order, to my knowledge.

**Dr. Massolin:** Yes. That's my understanding, October 12.

**Mr. Amery:** What if it's not ready by October 12?

**The Chair:** Go ahead, Dr. Massolin. Do you want to answer that question?

**Dr. Massolin:** No, I don't.

**Mr. Hinman:** Could I speak to the question?

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

**Mr. Hinman:** We're making a recommendation to the minister. Even if we pass it, it doesn't mean he's going to accept it. The government has all kinds of expert committees. We're a committee of MLAs that go out and make recommendations that aren't accepted. I think that to think we're setting the policy and that it's written in stone after we've handed it off to the minister – it's just like the old one. It was in stone. It was the weekly average earnings. Then we said: "No. We'll come up with a new one." It's not the end of the world. It just has a sunset clause, and it's over, and we'll continue debating it and trying to solve the world with, as Mr. Taylor says, minimum wage when it isn't really the solution that we're all hoping for. It's at the very, very best – and not even that – a Band-Aid.

**The Chair:** To that point, Mr. Hinman, I'm not sure whether we can just simply say, "Carry on," and there's no end date to it. It is in the standing order, and I can't answer that without asking Parliamentary Counsel their legal advice on it. Could this be pushed back or not? I'm not asking your advice. I'm saying that we need Parliamentary Counsel to clarify that, whether it is or not, then, before we can answer that question.

So if we're all voting in favour of rescinding that motion, that's fine. Then we will proceed with the rest of it, and then we may have to have another committee meeting to come back to this. As we stand today, it is, you know, I guess, our committee's mandate to submit it by a prescribed deadline, which is October 12, so if we need to have another meeting, we will have another meeting. I don't want to just openly say: "Okay. Yeah. Let's push it to November." No, that's not what we're planning to do.

**Mr. Hinman:** And that isn't what I was saying.

**The Chair:** Yeah.

If we need to rescind this motion, that's fine, but we will finish with the rest of the report, what we have, and if we need to come back to that first bullet, we will come back to it at a later time.

2:00

**Mr. Hinman:** Can we just add one more part to Parliamentary Counsel, then, on there?

**The Chair:** Sure.

**Mr. Hinman:** I think that, like I say, this is the answer. This isn't binding on the minister. This is a recommendation.

**The Chair:** And we know that. We know that already. Okay. Mr. Griffiths.

**Mr. Griffiths:** Thank you. Yeah, it's obviously not binding on the minister. I mean, ideally, I would support rescinding the motion just for the point of bringing forward the next one with better clarification. I think we all accept that the first one wasn't very clear, and we need to clarify.

As far as going on and doing more exploratory work, I think it would be a little bit embarrassing. I don't have any idea how we would meet a timeline of October 12 to do further research, which is probably some of the most intense research we would do compared to what we've done over the last five months, and fulfill our obligations and have a report. Whether this says that we use the Alberta average weekly earnings or it says "average weekly earnings, market-based measures, and inflation," it's still a recommendation to the minister that he can deny. I would like this recommendation because, to me, going back to the average weekly earnings just says, "It was just fine before," which I don't think it was. I heard lots of low-income people, people who made minimum wage, who said that it wasn't adequate.

This, I think, gives encouragement. The minister could say: "Yeah, I accept that you need average weekly earnings, market-based measures, and inflation. I don't know how or where, so I'll send it back to you guys for six months so you can do research to explore all the details and come up with several different formulas." That would be ideal. I don't know if the minister will. He doesn't have to accept any of our recommendations. But to think that we should stop now, rescind the motion, go back and do more research than we've actually compiled in the last five months and try and come up with a conclusion by October 12 – it's going to be embarrassing. We need to make some sort of recommendation now, with a few weeks left.

I would support rescinding it just to clarify what we are voting on and to make sure that the vote goes appropriately, because we did have the error in how we were going to vote, and get on with it. If the minister accepts the recommendation, I think he would probably turn around and send it back to this committee to go find out what the best combination would be and how to employ those sorts of indices.

**The Chair:** Mr. Jacobs.

**Mr. Jacobs:** Thank you, Mr. Chairman. Well, as the committee knows, this is my first attendance at this meeting, so I don't have the benefit of any background of the previous discussions. As I've listened to the discussion so far, I would like a clarification, perhaps from Dr. Massolin. I just happened to be looking at the draft policy here, that came out before, and I look at the recommendations,

which I received today, and I see there's a difference in recommendation 1 and the draft policy. I'm wondering. Obviously, somebody in the committee or somebody wanted the change from the draft policy to what we have today. The one we have today includes weekly earnings, market-basket measures, and inflation among others. Could Dr. Massolin or somebody explain to me why we made that change and what the justification was?

**Dr. Massolin:** Mr. Chair, just for clarification. The change from the Alberta weekly earnings index as a base for the policy, having that as one of three basic measures: is that the change you're referring to?

**Mr. Jacobs:** Yes.

**Dr. Massolin:** Well, it's simply, as far as I can understand, a discussion that has occurred at this meeting to add those other two measures. Previous to this meeting, I think the discussion, not exclusively, revolved around having the Alberta weekly earnings as the main basis for this policy, although there has been some discussion about using CPI, inflation, and, basically, cost-of-living indexes as well. That's been brought up in the submissions and so forth, but I think the focus has been on the Alberta weekly earnings.

**Mr. Jacobs:** Okay. Thank you.

**The Chair:** Okay. I guess we're back to square one.

**Dr. Taft:** I thought there was a motion on the floor – and there has been for some time – so I'll call the question. You may want to just repeat the motion so that we know what we're voting on. I think Mr. Chase made a motion several minutes ago to rescind.

**The Chair:** Okay. Do you want to make the motion, Mr. Chase?

**Dr. Taft:** Well, the motion is on the floor, so I would ask maybe the clerk to repeat it.

**The Chair:** Yeah. Go ahead, please. Repeat the motion, and then we'll vote on it.

**Ms Rempel:** I believe that Mr. Chase was making a motion that the previous motion by Mr. Marz, which added references to the market-basket measures and inflation to point 1, be rescinded.

**The Chair:** Okay. We're going to vote on this. All in favour of rescinding the motion? We've got four people in favour of rescinding the motion. All in favour of carrying on, I guess, with the motion which was presented?

**Dr. Taft:** I can't tell whose voice is coming through the phone, so could we record it by name, please?

**The Chair:** Okay. Are you agreeing to rescind the motion, or are you agreeing to the original motion, that it will not be rescinded?

**Mr. Weadick:** Agreeing to the original motion.

**The Chair:** Thank you.

**Mr. Fawcett:** I'm agreeing to the original motion as well.

**The Chair:** Thank you very much. The motion is carried. We're not rescinding it.

We're just going to move on, then, to the next one.

**Mr. Chase:** Can I just do a point of order? What that motion has done is basically shut down the discussion and given it back to the minister at his discretion. Going further through the recommendations is somewhat pointless because our hands have been tied by that motion.

**The Chair:** No. There are a number of different issues on there. I don't think that having one bullet and passing on that is tying anybody's hands, Mr. Chase.

Go ahead, Ms Notley.

**Ms Notley:** Well, in support of the point that Mr. Chase is making, the very next issue now becomes moot. The last time the committee met, there appeared to be a consensus that there was some desire for clarity and that the formula would actually be articulated in legislation, and that's what the committee thought was a good idea. Now, of course, we've just passed a motion suggesting that the minister make the decision on whatever full moon of whatever cycle happens to, you know, come into play at whatever time. Obviously, the whole notion of clarity and setting it out in legislation has just been thrown out the window, so certainly that one has been decided by the first one.

Frankly, we've kind of made a bit of a mess of what had previously been discussed at the committee. I think a lot of what flows now becomes very difficult to address.

**The Chair:** Thank you.

Mr. Griffiths, go ahead, please.

**Mr. Griffiths:** Number 1 says, "The minimum wage should be indexed to Statistics Canada's Alberta average weekly earnings." The new one suggests that the minimum wage should be indexed to Stats Canada's Alberta average weekly earnings, market-basket measures, and inflation. It doesn't change whatsoever.

**Dr. Taft:** I think it does, Doug. I think what was passed was much more loosey-goosey than that.

**The Chair:** No. Exactly what he just described. That's what I heard.

**Mr. Griffiths:** We agreed to add two more measures. Look, there's nothing that said that the minister gets to loosey-goosey decide whatever he wants. The intent, the way I understood it, was that two more indices were going to be added, but it doesn't change the fact that there would still be a formula. In fact, I believe the motion had "formula" in the wording. You'd still have a formula that you can entrench. Otherwise, I wouldn't support it either because I still support number 2, that it should be entrenched in legislation.

**Ms Notley:** Well, what we've done is that we've said that the minister should come up with a formula that will consider these things, but we haven't articulated how it would be considered or what weighting would be considered or whether it would be considered the same from year to year to year. There is so much uncertainty in terms of what we passed. I mean, I suppose you can basically say, "Yeah, we recommend that the minister figure it out and that once he's done it, he puts it in legislation," but that's a very

different thing. We don't know what it is, what formula we've asked the minister to come up with, because we didn't talk about weighting. Frankly, each of the three formulas has a different outcome.

What we've done now is injected, as I say, a great deal of uncertainty, so it's not possible to then talk about putting a formula in legislation except to the extent that you're saying: "Gee, Minister, you figure it out. Sure glad we had this time to meet over the summer. Once you figure it out, write some legislation about it."

2:10

**Mr. Chase:** Could I please begin by having the original motion read, which had trailings on of sort of et cetera, et cetera? Then I'll comment on the original motion so that we're all understanding what the actual wording of that original motion was.

**The Chair:** Okay.

**Mr. Chase:** Jody, could you please read out the original motion?

**Ms Rempel:** I don't have the exact wording.

**The Chair:** Mr. Marz has that.

Do you mind, sir?

**Mr. Marz:** Well, I didn't have it written originally. I didn't have the original motion written – I clarified it in writing in future discussion – so I can't remember the exact wording, but it was something like: average weekly earnings, market-basket measures, inflation, or whatever other indices might be pertinent. Something to that effect.

I'd like to say that, actually, number 2 does clarify number 1 a great deal because this would prevent cherry-picking to suit anybody. You'd have to have a formula based on average weekly earnings, market-basket inflation that couldn't change from year to year. You couldn't say: well, this is advantageous to employers this year or advantageous to employees this year. You have to have a formula that is stated in legislation. It wouldn't just include Stats Canada, but it would also include market-basket measure and inflation. The minister would have to come up with a formula based on those indices and state it in legislation so that it would be the same year after year.

**The Chair:** Okay.

**Mr. Chase:** I asked for the written motion to be read. It was obvious that the written motion wasn't written. How can you discuss something and put forward a suggestion when there's no recording of the original motion? Each of us has a slightly different interpretation of what that original motion was because it wasn't put down. I guess somebody else would have to call for rescinding, but we're looking for clarification. The fact that we've got a mid-October timeline should not enter into our discussion. If we can't offer a reasonable suggestion, then we've basically wasted the last five months of our time. I would think that without Parliamentary Counsel – how can you vote on a motion that isn't clear or hasn't been written down? I'm looking for assistance here. We're in a muddle, and it's rapidly growing worse.

**The Chair:** Okay. Mr. Chase, I think we've been at it for about an hour and 15 minutes. We'll break for a five-minute break. We'll come back, and we'll carry on from here. Everybody okay with

that? Okay. Then we'll get clarification from *Hansard* and Parliamentary Counsel.

Thank you.

[The committee adjourned from 2:14 p.m. to 2:24 p.m.]

**The Chair:** Okay, ladies and gentlemen. If we can call the meeting back – thank you very much guys; I think we needed a bit of a break there – what we're going to do is just basically proceed to where we were, back to the discussion on the wording of the motion. I think just before we left for a break the discussion was: are we going to rescind that motion? We had the opportunity to talk to our advisers here. We're going to get somebody from the floor here to make a motion and then make a final motion which would be acceptable.

Okay. Doug is going to do that.

**Mr. Griffiths:** Thank you, Mr. Chair. Based on *Robert's Rules of Order*, I believe the correct phrasing is that I move reconsideration of the previous question to rescind the previous motion.

I ask for a vote to be held.

**Mr. Marz:** Clarification: it should be the previous motion as made by Mr. Marz because the previous motion was actually made by Mr. Chase, which was a rescinding motion.

**Mr. Griffiths:** Yes. That's the motion I'm asking us to reconsider, the rescinding motion, not yours.

**Mr. Marz:** Oh.

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

**Mr. Marz:** Yes. That motion wasn't passed, so if you're going to reconsider it . . .

**The Chair:** Can you explain the process just a touch more for Mr. Marz?

**Mr. Griffiths:** I've asked for reconsideration of the previous question. The previous question being put was: do we agree to rescind Mr. Marz's motion? So we vote. If we vote yes, then Mr. Marz's motion will be rescinded. If we vote no, we carry on again.

**Dr. Taft:** And if it's rescinded?

**Mr. Griffiths:** If it's rescinded, then Mr. Marz can introduce another motion, and we carry on with discussing number 1 again.

**The Chair:** Okay. Mr. Hinman, you've got a question?

**Mr. Hinman:** I think that's clarification. We'll go over that. It just seems like what we're doing is that the government members need to vote for the third time because you're hoping that this time you're going to defeat your original motion.

**The Chair:** Okay. The motion is on the floor.

**Mr. Griffiths:** Just for clarification the motion was made, we moved ahead quickly and had a vote, and nobody was fully prepared for what that motion actually said, and nobody can recount because it's in *Hansard*. This has nothing to do with government members. It has to do with the function of the committee.

**Mr. Hinman:** To respond to that, Mr. Chair, it is. It's been a split vote. The government has voted in favour of that twice, and now you're bringing a motion in there again. If it was actual names voting, it is very obvious what's going on. Anyway, let's just vote on it and correct it because it's wrong.

**The Chair:** Okay. Mr. Griffiths has got a motion on the floor. Everybody understands that motion? All in favour of that motion for rescinding the motion? People on the phone? Thank you very much. It's carried.

Okay. Now, I guess we can go back.

**Mr. Griffiths:** Yes. That was a motion to consider the previous question. Now we actually have to reconsider the previous question, which was rescinding the motion. That's the way it has to work.

**The Chair:** Okay.

**Mr. Griffiths:** We agreed to go back to the previous question. Now we have a vote on the motion on the floor, which says: do you want to rescind that motion that Richard Marz made? So the question being put is: will you rescind Mr. Marz's motion? That's the question being put.

**The Chair:** And then he proposes another.

**Mr. Griffiths:** That's after the fact. Let's just deal with the vote.

**The Chair:** All in favour of that? All in favour on the phone? Thank you. Okay. The motion is carried.

**Mr. Hinman:** You're not going to ask who's opposed?

**The Chair:** Sorry. Opposed?

**Mr. Hinman:** Well, we had two people that didn't vote, so I was just wondering if they were opposing it.

**The Chair:** Okay.

**Mr. Marz:** We weren't given the opportunity to at the time.

**Mr. Hinman:** I know. That's why I was speaking for you.

**Mr. Marz:** I was waiting for the chair to do his job.

**The Chair:** Sorry about that. Is everybody okay with that? It's two people opposing.

All right. Now, we go back to Mr. Marz's original motion. Go ahead, sir.

**Mr. Marz:** You want me to try this again?

**The Chair:** Let's try that one more time.

**Mr. Marz:** Okay. This time I wrote something out that we can discuss. The Standing Committee on the Economy recommends that the minimum wage should be indexed using a formula that could include Statistics Canada Alberta average weekly earnings, market-basket measures, and inflation.

2:30

**The Chair:** That's the motion put forward by Mr. Marz. I think you have a copy of that motion in front of you so there is no confusion.

**Mr. Hinman:** I would like to speak against this motion because, again, it's just increasing ambiguity. There's no clarity in there that it could include. Now we have three different formulas that the minister can assume: well, this is what I want to use this year or change this year. What we need to have is clarity for business and for those receiving, that they can plan and know. It just says that this could include statistics.

I just think that if we're going to make a recommendation, we should make one that the majority believes is right, or else we should go back and make a motion to say that, you know, maybe the market is the best one. After we've discussed this for five or six months, we've realized that we don't know what we're doing, and we should let the market decide.

**The Chair:** Thanks, Mr. Hinman.  
Ms Notley, please.

**Ms Notley:** Thank you. I would urge the committee members to reject this motion for a couple of reasons. First of all, the language itself is, of course, meaningless because it says "could include." It doesn't negate what it wouldn't include. It doesn't suggest what else might be included. It doesn't talk about the weighting.

As I've said before, it essentially says, "Give the whole darn thing back to the minister, who wants to play around with the numbers and figure out what works best for him on any given day," which, as I said, is not what this committee was asked to do, and it represents a big waste of time on the part of this committee. It also, I would suggest, is not respectful to the many people who made submissions to this committee and the many low-income workers – I believe we heard there were about 20,000 – who are waiting to find out when or if they might ever receive an increase in their income.

The other thing I would like to point out as well because we're now talking about including factors. Even if we had a more specific version of this language, like the language that Mr. Marz had suggested in his sort of almost second motion, which talked about averaging the three formulas, as I said before, we haven't heard from experts in terms of what the pros and cons are of each of those formulas, which I think is, again, irresponsible as a committee.

Notwithstanding that, I did have an opportunity at the break to do some very quick research on my own, and one thing I was told is that what happens, for instance, with the market-basket measure is – yeah, it's a beautifully precise measure. One of the reasons it's precise is because it takes about twice as long to achieve as the other measures. So when you use market-basket measures, you're using numbers that are about two years out of date. That's just one simple fact which demonstrates how this formula is in fact not as simple as we think.

There's either a lot more work to be done if we suggest to the minister a specific formula or we alternatively choose not to do any of the work we were asked to do in the first place and just ask the minister to figure it out on his own, which is what the current resolution suggests. Or we could do what the committee had reached a consensus on last time, which is: go with the formula that we've been discussing all this time, that we know about. It seems to me that you end up with one of those three options. I, of course, am a fan of the third one. I think either of the first two, as I said, creates problems for the reasons I've outlined.

**The Chair:** Thank you.  
Mr. Chase, please.

**Mr. Chase:** Thank you very much. I'm very aware that for the last year and a half the minimum wage has been frozen at \$8.80, and

people are suffering during a highly recessionary period. I am not anxious to prolong the setting of an improved minimum wage. I also share the concerns that Rachel Notley expressed about the consensus that we had arrived at over five months of discussion. It was a member of the government caucus, Ty Lund, who put forward the notion of the standardization, the security, the ease of the weekly earnings index.

I appreciate, however, that Mr. Marz has clarified where he stands. I appreciate the fact that we actually have a written motion before us so that we can have this discussion and debate, and when we record our votes at the end, people will know where we stand on the issue.

Ms Notley has sufficiently influenced me in the feeling that simplicity rules. Regardless, we have been tasked with providing a recommendation to the minister. I would suggest that if these parliamentary all-party participation committees are to have any kind of relevance, then I would think that the minister would feel a degree of obligation to actually accept the process which he initiated in the first place and take our advice. By throwing out so many factors, which he may or may not take into account, I think we're adding unnecessary complexity into the outcome.

Therefore, although we have something, as I say, that we can actually read and vote on, I would like to go back for simplicity's sake to just the weekly average. The minister is going to decide what he wishes to do with our recommendations anyway, but I'd rather have something straightforward and calculable that would be taken into account.

**Mr. Marz:** Well, the concerns about the minister cherry-picking market-basket measures one year, inflation another year, and average weekly earnings another year are clarified in recommendation 2, that says that the formula used to calculate the minimum has to be stated in legislation. So whatever formula is agreed upon using those measures would have to be – well, the recommendation is to clarify that in legislation. So you can't change it from year to year once it's in legislation, whether it's a third, a third, a third or 10 per cent and 70 and 20. You know, you can't be changing it year to year to meet current market conditions or to meet anybody's agenda. It's in legislation once that formula is set.

**Dr. Taft:** The way the motion is worded I cannot support it. It's just too vague. It says what it could include. It doesn't say what it must include. It doesn't say what else might be included. It just doesn't hold water for me, so I cannot support it. I don't think it's a useful statement.

**The Chair:** Thank you.

**Mr. Griffiths:** I'm about to muddy the waters. Look, I agree – I think everybody at this committee actually agrees – that there's nobody that wants this solution for minimum wage to be willy-nilly or at the whim of whatever minister happens to be running, not that Mr. Lukaszuk is willy-nilly. He's going to read – no, he won't read *Hansard*; it's okay.

But the state of the economies in North America give me a bit of concern. If we use Stats Canada's Alberta average weekly earnings and we do wind up with an inflationary situation and that's entrenched in legislation, I am seriously concerned about the people who are making minimum wage, who are the lowest income in Alberta, quickly eroding away their spending power and their ability to protect themselves because of inflation because we don't have that as a potential factor to incorporate. That's why it's been suggested.

I would propose an amendment to Mr. Marz's motion. I can bring you over a copy of this in a second. I do understand the concerns about ensuring that average weekly earnings are incorporated. So I propose that it read:

The minimum wage should be indexed to Statistics Canada's Alberta average weekly earnings but could become a fixed, legislated formula that also incorporates indices such as the market-basket measure and inflation in the future.

That way it still indicates it's not willy-nilly. It's legislated. It's fixed. It starts with average weekly earnings because we know that's important, but it can add other indices to it in legislation and based on a formula to make sure that, quite frankly, people who make minimum wage aren't left behind because of inflationary pressures.

2:40

**Mr. Taylor:** Thank you, Mr. Chair. To Mr. Griffiths amendment: I think I understand what he's trying to achieve there. I think a better way to do it might be to stick with the original recommendation that minimum wage be indexed to Statistics Canada's Alberta average weekly earnings and to add a recommendation as a subpoint under number 1 or perhaps somewhere else in here that causes us to revisit this work at some point in the future, whether that's in a year's time, in two years' time, something like that that causes us to come back and confirm that what we have done here is still relevant to conditions that exist in the future since we've already agreed around the table here that we cannot predict the future.

**The Chair:** Okay. Ms Notley. Then, I'm going to go back to the motion which has been put forward by Mr. Marz.

**Mr. Griffiths:** I introduced an amendment, so that's on the table.

**The Chair:** Okay.

**Mr. Marz:** We're discussing the amendment.

**Ms Notley:** Yeah. He doesn't need a seconder for the amendment, does he?

**The Chair:** No.

**Ms Notley:** Okay. So we're talking about his amendment.

**The Chair:** Yeah.

**Ms Notley:** Okay. Good. Just checking.

I appreciate Mr. Griffiths' effort to clarify, and it does clarify somewhat, but I think that if the concern is that which he is using as an explanation for why you want to go there, which is, you know, that we have this as yet unmaterialized situation where inflation goes out of control and weekly earnings don't keep up with that, then I think there might be other mechanisms for dealing with that.

The concern that I have is that the first draft, which reflects what this committee had on the face of the record, appears to have been a consensus on the part of this committee with respect to Alberta weekly average earnings. That was one thing. Generally speaking, it's not a huge difference, but it is a difference.

Alberta average weekly earnings, actually, is the measure that's going to increase the minimum rate the most effectively, the fastest, the highest. That's the measure. If your concern is really for having our low-income Albertans have their minimum wages increase in line with the cost of living, then the way to do it is with the Alberta average weekly earnings. It's not black and white. There are

circumstances within which it may not be the highest rate, but overall it is slightly higher than the other measures. So by introducing this, you're opening the door for the minister to use other formulas that will reduce the rate at which the minimum wage increases in Alberta.

**Mr. Griffiths:** Or decreases.

**Ms Notley:** But it won't because most of the research at this point, I've been told, shows that the Alberta average weekly earnings is going to result in the fastest indexation, the highest indexation. It's not going to be out of control because, bear in mind, we're of course starting with a minimum wage that is well below the national average. But it will increase it faster than the market-basket measure, which, as I said, is two years out of date, and overall will typically increase it faster than inflation.

So by voting for this, we are voting, then, to give a lesser benefit to Alberta's low-income workers than had been decided in the previous committee meeting. For that reason I suggest you vote against your otherwise well-intentioned motion.

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

**Mr. Hinman:** Yes. I think we need to go back. We all move forward and make our decisions on what's happened previously in life and our experiences. I think what we're experiencing here is that the government entered into a contract with the teachers a few years ago and then decided that that cost them too much and wanted to change it. So the first question to ask this committee is: are we looking at the way to enhance or protect minimum wage at whatever index is hurting them the most? Or are we giving the government latitude to pick the index which they choose to pick the least and having latitude and ambiguity rather than concise and an actual formula that they know they can count on? To me, it has to be a formula that we all know and not have the ambiguity to say that, well, this year it is inflation because I would argue that we could very much be going into a deflationary period, that we've expanded the money supply, tried to inflate the economy at all expense, and we could be running into a very deflationary period.

The question and the intent should be, if this committee is wanting to protect them, that whichever index benefits the minimum wage the most is what will be used. Then that's what should be written in here. But this, to me, is not – it's just too ambiguous. It leaves it up to the government to say: well, we really don't want to be locked in on any one area, so we'll have three or four different baskets that we can pick and use.

So I would agree with Rachel. If we're going to use one, let's state it and stick with the one and not be having three options for the minister or the government to jump around and businesses not knowing what they're going to have to conform with from year to year.

**The Chair:** On the point.

**Mr. Griffiths:** On the point it says "fixed legislated formula." That means you can't pick and choose whatever you want.

**The Chair:** Thank you.

Mr. Chase.

**Mr. Hinman:** "That also incorporates." I mean, it doesn't . . .

**The Chair:** Mr. Hinman, can we come back to you, please? Thank you.

**Mr. Chase:** Doug Griffiths, I very much appreciate your trying to come up with a middle, compromise position. But what it states in point 2 is: “The formula used to calculate the minimum wage should be stated in the legislation.” What you’ve said is: “but could become a fixed legislated formula that also.” So what we’re doing is we’re saying that, you know, this could be anything as opposed to something defined and specific and that has a historical precedent, that while not bringing Alberta’s minimum wage up as it has in other provinces, us being the fourth lowest, at least it’s a fixed calculation that we’re asking to be put into legislation as opposed to: it could become.

With the five and a half months of work that we’ve done previously, we came up with a formula. I don’t feel the least bit badly that we’ve decided that the formula that had previously worked when it applied, though some years it wasn’t applied, works. I don’t think that’s an admission of failure on our part. I think we’ve come up with something that as a baseline works and we should be promoting. So I appreciate your efforts at a compromise position, but to me this goes back to further muddying as opposed to clarifying.

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

**Mr. Hinman:** It’s the words “but could become.” I mean, Mr. Griffiths, if that wasn’t in there, I’d agree that it will be a fixed one. But the wording on the one I have here is: “weekly earnings but could become a fixed legislated formula.” To me, that’s the ambiguity in it.

**The Chair:** Mr. Griffiths, go ahead, please.

**Mr. Griffiths:** Well, I didn’t put fixed legislated formula in the first part because, quite frankly, bullet 2 says that it should be a legislated formula. My idea was that minimum wage should be indexed to Stats Canada Alberta average weekly earnings. We all agree with that. My intent and my concern is: what if that’s not adequate, given the changes in the economy? I’m concerned if somebody falls behind. So the idea for the second part was – and I’m putting in my own editorial points here – that in the future if market-basket measure becomes appropriate and more timely, if inflation is a significant factor, it could become a formula, so that it’s fixed and legislated, that incorporates other factors like that to make sure that it’s fair. That was the intent.

It still comes back to the point that we’re going to make a recommendation. The minister can decide what he’s going to do. I’m just concerned. My biggest concern is that average weekly earnings may not always be the best way. Coming up with something that incorporates more factors to make sure that we look after those who are on minimum wage is frankly one of the most important jobs that we have. I don’t want them to fall behind because we legislated average weekly earnings, and a couple of years from now it’s no good, and then we have to go through a two-year-long legislative process to change it while people are falling behind. This is meant to be evolutionary, and that’s how I’d intended it. But I understand the concerns of the committee.

2:50

**The Chair:** Thank you.

Mr. Chase, go ahead, please.

**Mr. Chase:** Approximately a half-hour ago my legislative colleague Dave Taylor provided a solution, and that was by setting a review period so that people wouldn’t be lost, that part of our committee’s recommendation – and correct me, Mr. Taylor, if I’m incorrectly expressing your concern – suggest an annual review of the calcula-

tion or the formula, whether it be through the ministry or through the Standing Committee on the Economy. We could make sure that people weren’t disadvantaged over a lengthy period of time. The reality is that they’ve been disadvantaged over a year and a half right now. My concern is that no formula is going to be a hundred per cent, but by building in a recommendation of an annual review, if accepted by the minister, we would account for any dramatic changes and be able to respond and correct them.

**The Chair:** Okay. I see no more comments. We’re going to vote on the amendment. You have the amendment in front of you. All in favour of the amendment? All opposing the amendment? On the phone? Thank you. The amendment is defeated.

Okay. Now we go back to the original motion, that is Richard’s motion. Go ahead, Richard. Read that motion one more time, please.

**Mr. Marz:** The Standing Committee on the Economy recommends that

the minimum wage should be indexed using a formula that could include Statistics Canada Alberta average weekly earnings, market-basket measures, and inflation.

**The Chair:** Okay. Any discussion on that?

**Ms Notley:** I’ll just reaffirm the point that I made before. By voting for this motion, you are voting to reduce the benefits enjoyed by Alberta’s low-income workers that had previously been agreed to by this committee at your last meeting. You’re voting to ask the minister to do less for them after the minister has already overseen a freeze in their minimum wage levels. So for that reason, of course, I would urge the committee members to reject this motion.

**The Chair:** Dr. Taft.

**Dr. Taft:** Yeah. I cannot support this for reasons that have also been raised and that I raised earlier. Just for clarification, if this passes, so that the minister will know what the member who’s moving it intended, could I ask: Richard, are you making this motion with the intent to have the minimum wage lowered?

**Mr. Marz:** No. That’s not the intention at all. It’s to try to come up with something that uses more indicators to come up with an average that’s fair for all, employers and employees.

**Dr. Taft:** Okay. Well, if this passes, then I hope the minister takes that under advisement.

**Mr. Marz:** Just if I may, it’s been stated here today that Alberta has currently one of the lowest minimum wages in Canada. Just to clarify: it’s what a person takes home that counts, and Alberta is currently tied with Newfoundland and Labrador for second place only after Ontario as far as the minimum wage goes.

**Ms Notley:** That would have been if there had been an increase this year, which there wasn’t.

**The Chair:** Excuse me, please. Okay. One at a time.

**Mr. Marz:** That’s the way it is. [interjection]

**The Chair:** Please wait for your turn, Ms Notley. Thank you.  
Mr. Hinman, please.

**Mr. Hinman:** Thank you, Mr. Chair. I would agree with Mr. Marz;



it is what we take home. We discussed that in the committee. It'll come up later, and that's the critical point: what is it? I also agree with Dr. Taft. What's the purpose of this? Is it to protect minimum wage? To me, if that's what we want in the motion, it should say that we would encourage the minister to take whichever indexes are hurting the people who are low income at that time, whether it's inflation, whether it's the weekly wage, to use that to keep up with the growth in the economy. I just don't see that it's reflected in this, so I'm speaking against the motion as it's worded because I believe the ambiguity works to the negative side, not the positive.

Once again, I would say that there are so many other things that we could do. If it's the low-income cut-off that we're looking at, whether we say that, well, it's a percentage of the low-income cut-off, what are the actual living expenses? But we're not taking into any consideration the tax breaks, which I think could be more significant, which we could continue to raise here in the province. There are so many areas that the wages are far more competitive on the market, and then we use the taxation on the other end on what they get rather than raising the minimum wage and losing jobs.

There's a reason why the minister froze it this year: our economy failed. It would have added a greater pressure to those businesses that were struggling to go on had we increased the minimum wage, and then these people with minimum wage would have no jobs. As heartfelt and as heartaching as this is, when you see people struggling with that, I believe it's worse when government comes in with a heavy hand and says, "Oh, we're going to raise it to \$9.05 this year," to see a percentage of small businesses fail, and then people without a job.

There is a reason why the minister stepped in this year and said, "You know, in the best interest of those people with minimum wage, we want to protect your job" rather than saying, "Oh, what's going to save the economy is to put this added weight on these businesses, and we know best what these businesses should be paying." We're just going down the wrong end of the problem. The taxation is the other end.

Anyway, the way it's worded, I can't vote in favour of this motion.

**The Chair:** Any more discussion on this?

**Mr. Chase:** At our last meeting not only did we come to a consensus about the weekly average, we also suggested that it would be for Albertans' benefit that our minister talk to his federal counterpart about reducing the tax load. The reality is that for the people on low-income cut-off, their wages are so awful that they're not taxed.

This business of statistics, whether we're fourth lowest or second highest in terms of take-home pay: the take-home is into an inflated Alberta market. We can play with statistics all we like, but the point is that Albertans have been suffering for some time with a take-home wage in a highly inflated province at \$8.80. If we accept this motion, they're going to remain at that particular place for some time because we haven't given them an opportunity to have a definitive expression of where we should be headed with the weekly earnings average being a baseline.

Therefore, we've basically wiped out, as far as I'm concerned, five and a half months of collaborative, nonpartisan discussion if we support this motion. So I can't support it. I appreciate the clarification attempts, I appreciate the amendment attempts, but we're moving away from a very basic, easily calculable formula that can be initiated rapidly.

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

Ms Notley.

**Ms Notley:** Yes. I wanted to take the opportunity, because I didn't get a chance to before, just to clarify. The information that we were given by the research department for the LAO states that where Alberta sits right now as a result of our having frozen the minimum wage in that decision that was made by the government this spring is that before taxes we are seventh in the country. We know that in October Prince Edward Island is going to go up, so at that point we'll become eighth in the country, with first being the highest.

As far as after-tax income the information that was provided to us by the research department suggests that we are currently fifth in the country although there's also an asterisk beside that which states that that number is subject to change because, of course, calculating after-tax income is an exceptionally complex process, and it's difficult to do a jurisdiction-to-jurisdiction comparison in that regard. I won't get into a big discussion about why that is.

Anyway, just to clarify the record, I think it's safe to say that Alberta's current minimum wage is amongst the lowest in the country.

3:00

**The Chair:** Thank you.

**Mr. Weadick:** Mr. Chair.

**The Chair:** Yes, sir.

**Mr. Weadick:** Can you put me on the queue for whenever?

**The Chair:** Will do.

**Mr. Hinman:** Just to clarify what Rachel has said because I have sixth and third after-tax ranking, and that's what's important. It doesn't matter how much you get paid if the government taxes it and takes it all away from you. If we have \$24 and there's a 90 per cent tax, it doesn't work. It's the after-tax rate that's critical, what people actually take home, and we should never be focused on the before tax. It's: what are we doing in our jurisdiction, what are we doing in our country for what people can take home? I would always want to say that I hope this committee will focus on the after-tax dollars, not the before tax.

Like I say, there are other measures that we can take here in the province to raise the after-tax dollars that people are taking home, rather than going home and saying, "Oh, look how much we're paying them" so we can feel good and then tax it and take it away from them.

**The Chair:** Thank you.

Mr. Weadick, go ahead, please.

**Mr. Weadick:** Well, thank you. I think we've had quite a bit of discussion back and forth on this. From my perspective, if Alberta's average weekly earnings were something that reflected Alberta's average weekly earnings and we were all comfortable with, that we set in Alberta, that reflected all of the things we've talked about, I don't think that terminology bothers me. I think what probably throws me off is that it's set by Stats Can. Those rules can change with the federal government at a whim. I believe that we need to develop an Alberta average weekly earnings measurement that we're all comfortable with – all parties, all Albertans – that says that this is how we're going to calculate it, and then that number could become what we use.

All I think that this resolution has tried to do is say: let's use a variety of these things, put them together in some form to come up

with an Alberta average weekly earnings number that we know reflects Alberta, and then that becomes the standard that we'll use and will be in legislation. It's pretty simple. It's trying to take it out of the hands of the federal government and put it back into the hands of Alberta and Alberta's Legislature to decide what Alberta average weekly earnings are. I think that all this motion has done is try to say that Alberta average weekly earnings could be some measurement related to inflation and these other things that we've talked about that ultimately makes a made-in-Alberta Alberta average weekly earnings. That's what I would like to see. That's why I'm supporting it.

I think – and that's the message I want to clearly send to the minister and to the government – that we need to set our own Alberta average weekly earnings that reflects Albertans, reflects our tax structure, reflects where people really live, both in our big cities and in our rural areas, and then go forward with that as the standard when we consider all sorts of things like teachers' contracts or other union contracts and our minimum wage agreement. I think that's all that we're really talking about here, trying to come up with an Alberta average weekly earnings that's ours and made in Alberta.

Thank you.

**The Chair:** Mr. Taylor, go ahead, please.

**Mr. Taylor:** Thank you, Mr. Chair. I might be supportive of that in broad principle, in broad concept, if we wanted to add that as a separate recommendation. But I think we run the risk here of losing sight of the fact that we are supposed to be doing something about minimum wage policy as it stands now and giving some direction to the minister that he can quickly implement so that we can account for the fact that minimum wages have been frozen for some time now and unfreeze them, if that's the appropriate terminology to use, and get on with determining what the new minimum wage in Alberta shall be and what the formula is that we will follow to adjust minimum wages on an annual or a regular – I won't even say annual – predictable basis that is predictable both for minimum wage earners and for the employers who are paying those wages, and that's the formula we will follow until such time as – I don't know – we've set up a new agency called Statistics Alberta, perhaps.

Again, there's a lack of clarity and a lack of certainty around this desire, as laudable as the desire may be, to create a made-in-Alberta way of measuring average weekly wage earnings or any other statistical measurement that we want to entertain. As I understand it, we're starting pretty much from ground zero on that one. If we want to add as a recommendation to the Minister of Employment and Immigration that we think ultimately we should be able to move away from Statistics Canada's determination of Alberta average weekly wage earnings and be able to do that ourselves through some made-in-Alberta agency, that's fine. But in the interim, for the 20,000 people or however many trying to make a living and trying to keep body and soul together off minimum wage, are we going to make them wait at \$8.80 an hour for another year, another two years, another five years? I don't know.

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

The motion is on the floor, put forward by Mr. Marz. We're going to vote on that motion. All in favour of the motion? All opposed?

**Dr. Taft:** Mr. Chair, will you record the votes by name, please?

**The Chair:** Okay. I guess we have to go around the table.

**Dr. Taft:** I'm opposed.

**Mr. Griffiths:** Opposed.

**Mr. Amery:** Agreed.

**Mr. Jacobs:** Agreed.

**Mr. Marz:** Agreed.

**Mr. Chase:** Opposed.

**Mr. Taylor:** Opposed.

**Mr. Hinman:** Opposed.

**The Chair:** Okay. People on the telephone, go ahead, please.

**Mr. Weadick:** Agreed.

**Mr. Fawcett:** Agreed.

**The Chair:** Thank you. I guess it's a tie vote, so I need to vote. I vote in favour of the motion. The motion is carried. Thank you.

That brings us to our next item. Boy, a little over two hours on that first one.

Moving on, then, are there any other questions on number 1? Is everybody okay with that one? I guess we discussed it in great detail. Let's move on to number 2, then, please.

**Mr. Hinman:** I was going to make a motion that we strike "The 'market' is not a reasonable determinant of the minimum wage."

**The Chair:** Okay. That's bullet 4.

**Mr. Hinman:** Yes. I'd like to strike that.

**The Chair:** Under number 1, bullet 4, it says, "The 'market' is not a reasonable determinant." Okay.

**Mr. Chase:** For the sake of expediency, I think I can crystal ball the outcome of the vote on this one, so I'm calling the question.

**The Chair:** Are there any questions on this? Question? Okay. All in favour to strike it? All opposed? Thank you. It's declined.

Moving on to number 2, please: "The formula used to calculate the minimum wage should be stated in the legislation. The rationale for this recommendation is . . ." It's in front of you. Have a look at that, and we will vote on it.

**Mr. Chase:** Well, as it states now: "Alberta's average weekly earnings are calculated by the Statistics Canada. Stating the formula used to calculate Alberta's minimum wage ensures that the minimum wage policy is transparent for all Albertans." My contention is that the average weekly earnings index is transparent and accountable, but because we've added market-basket measures and inflation, that's not as transparent. Either you're going to have to change the transparency and have the discussion as to how transparent market-basket measures are, or by leaving it as it is, we've changed it with the motion. Some correction has to be made to indicate that we've now, as well as Alberta average weekly earnings, tossed into the mix market-basket measures and inflation to reflect what the motion has indicated.

3:10

**Mr. Marz:** I would agree with Mr. Chase that there is some clarification required in the bullet. I think that that can be done by deleting the first sentence and just leaving the bullet to read: "Stating the formula used to calculate Alberta's minimum wage ensures that the minimum wage policy is transparent for all Albertans." What it's saying is that we still need to have a formula stated in legislation and that that formula, based on the motion that was passed in bullet 1, would provide that transparency.

**Ms Notley:** Well, I don't agree with this bullet at all now because we've passed a motion that the very minister who felt that it would be helpful to minimum wage Albertans to ensure that they don't experience an increase for at least 18 months and more likely 24 months – asking that minister to come up with a formula for which we are giving no guidance because of the recommendation we just passed and then to put it into legislation so that it doesn't get changed is not, certainly, a move that in any way, shape, or form benefits Alberta's minimum wage earners. We don't know what we're voting on. It seems to me to be quite ridiculous that as a committee we would propose to put something into legislation that we haven't seen. It seems to me that it just is the height of irresponsibility and illogical thinking that we would pass a motion and make a recommendation to the minister that we don't know what the formula should be, but we definitely think that it should be as unchangeable as possible once you figure out what it is. Really not wise.

**Mr. Taylor:** Well, I tend to go along with Ms Notley on this one. It's pretty difficult. I mean, it would be easy on one level to say: okay, Mr. Minister; whenever you come up with the formula, that formula has to be stated in the legislation so that it's transparent. Therefore, if you include average weekly wage earnings, then you have to show that formula. If you include market-basket measure, you have to show that formula as to how that's determined. If you include inflation, you have to show that formula. But based on the motion that we passed last, we still don't know what those measures are definitely going to be. We don't know what the minister is going to come back with.

In light of that I would suggest that we need to take an entirely different approach to point 2. Rather than say that the formula used to calculate the minimum wage should be stated in the legislation, we say that the formula used to calculate the minimum wage be revisited by this committee at some point in the future, whether that's one year hence, two years hence, three years hence, to see if it's actually working.

What we have essentially done in passing the last motion is say that we don't know what the formula is going to be. We've been working here for five and a half, six months. We don't know what the formula is going to be. I think that if we truly believed that that was the message that we wanted to send, we should then say: well, you know, we gave it our best shot, and we're putting it back in your court now, Mr. Minister, to come up with the formula. We've suggested some things that you might want to look at, you might want to include. We don't know for sure whether you're going to include them or not. When you're done your work, this will become minimum wage policy, but it needs to be referred back to this committee for a review at some point in the future.

I'm not putting that yet in the form of a motion or the form of an amendment or anything like that, but I put that idea on the table because I think it does need some discussion. How do we enshrine in legislation, how do we recommend enshrining in legislation when we don't know what it's going to be yet?

**Mr. Chase:** Well, after five and a half months we came to the conclusion that the average weekly earnings index was the solution. There's no doubt about the transparency and the accountability of that measurement. It's there. People can see it. They can either accept it or reject it. But now we've added the unknowns, the market-basket measure being the greatest unknown. To that we're now adding: "Stating the formula used to calculate Alberta's minimum wage ensures that the minimum wage policy is transparent for all Albertans." What we've done – and I say we as a committee – that I voted against is make an unnecessarily complex formula a requirement. Then we're going to suggest that the complexity of that is somehow going to be transparent for all Albertans. We've undone our work, as far as I'm concerned. Even at some point reviewing the new formula is going to leave Albertans hung out to dry for an indeterminate amount of time until such a complex formula finally changes their \$8.80 an hour. I don't see that as acceptable.

It gets more complex because of the changes we've made, especially when we get down to 5, where we fill in the blanks in terms of when the actual minimum wage should kick in and when on an annual basis it would be reviewed. As I say, we've made our work increasingly complex with the changes.

**Mr. Griffiths:** Well, I see some irony here. When we were going to use the average weekly index and that was going to be it, it was fine to entrench that in legislation because we could have reviews, and it would be adaptable in case the economy suddenly had a change. If we had hyperinflation over six months, we could change it. But now that there are a couple of other factors, it's unchangeable. It's kind of ironic that that would be the conclusion.

The justification for entrenching it in legislation here is to ensure that the minimum wage policy is transparent for all Albertans. I don't see the relevance of how the minimum wage is determined, what formula is used or what criteria. The purpose of entrenching it in legislation is to make it transparent for all Albertans. If that's not the rationale, we should be changing the rationale. But, quite frankly, that's the conclusion the committee came to and agreed to before, that the purpose for entrenching it is to make it transparent for all Albertans, not what the formula is or how it's being done but to make it transparent for Albertans. That's what the committee obviously agreed to before.

**Ms Notley:** There are different ways to make things transparent. If you put them in legislation, they're not only transparent; they're much more difficult to change. Had the last policy been in legislation, the minimum wage earners of Alberta wouldn't have had their salaries frozen for the last six months or however long it's been, and they wouldn't be looking forward to another six months or 12 months or however long of not getting an increase. So when you put something in legislation, it's not just about transparency; it's also about flexibility.

I am not going to suggest that any responsible legislator would recommend that something go into legislation that they haven't seen. The problem is that – what we were doing before was we had something that we knew what it was, so it would make perfect sense. In that case you might be prepared to recommend that it go into legislation because you knew what you were putting in. But you don't close your eyes and cross your fingers and hum a little song and say: let's make this law although I don't have the slightest idea what I'm making law. That is my point.

**Mr. Griffiths:** The clarification I'm making is that you had said before that this committee sat around and discussed this and came up

with some recommendations, right? In this recommendation the point to entrenching it in legislation is so that it's transparent for all Albertans. It doesn't matter what the formula was or what the conclusion was. The purpose of putting it in legislation was so all Albertans could see it, and it was transparent.

If you have an issue with what is actually going in legislation, I agree with that. But this recommendation says that the purpose for putting it in there is so Albertans can see it; it's transparent. That principle should apply regardless of what the actual formula is going to be or what it is. If you are hearing that all Albertans need to see this transparently, that's why it should go in legislation, then it doesn't matter what you're putting in there. The purpose of putting it in there is for transparency.

If you want it to be flexible, then you can say: well, there are other ways to make it transparent. But then it shouldn't go into legislation regardless of whether it's the average weekly index salary or three other variables because it's not flexible enough. I'm just saying you can't argue it both ways. If the purpose is transparency, that's why you put it in legislation. It applies regardless. If you don't want it in legislation because it's not flexible, then it has nothing to do with transparency, and we should change the rationale before we give this to the minister. That's what I'm suggesting.

**Ms Notley:** My point was not that I didn't want it in legislation because it wasn't flexible. My point is that I don't want it in legislation because I don't know what it is.

3:20

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

**Mr. Hinman:** Well, I think that we're missing the big picture here. I agree with Doug that, no, we want legislation. The purpose of it is so that everybody in the province can know and understand and it's clear, and then you make decisions from there. I think the committee very much agreed to that, and Doug has articulated that well.

The problem that we're missing on this is that even if it is legislation, Rachel, legislation changes. We had legislation that said all surplus funding had to go to pay off the deficit, but they didn't recognize the deficit of the unfunded teachers' pension. They didn't put any money to that, and it was legislated. We had legislation that says that there's no deficit spending. Five minutes before the budget was read when we were going to have deficit spending, that legislation was changed. So let's be efficient here, at least, as legislators and realize that that's what we do. We're passing legislation to go forward, hoping to give clarity to business and to the people. You know, let's have this transparent in legislation, and hopefully the legislation will not get flipped over the second that a new problem arises and says that all this isn't working for us.

**The Chair:** Thank you very much. Is everybody okay with that? Do we need a motion on that? Okay.

**Ms Notley:** Can I just ask?

**The Chair:** Okay.

**Ms Notley:** This will be the last time I go at it, but I just need to ask everyone here. You're about to vote on a clause which says that this should be put into legislation. Is there anybody around the table that can tell me what it is they're saying should be legislated? Like, what's the substance of what they're saying should be legislated? Do you not understand why this is such an irrational process that we're engaging in?

**Mr. Fawcett:** Mr. Chair, I would like to make a comment on that.

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

**Mr. Fawcett:** I think Ms Notley is missing the point. If she's concerned about what is actually going into the legislation, she will have time to debate and vote on that when it comes forward in legislation, the actual whatever it is that she's so concerned about. However, what the committee is recommending is that whatever recommendations we make, forward to the minister, when he does his work, we're recommending that he comes back and takes it and puts it in the form of legislation because that's the most transparent thing to do.

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

Mr. Griffiths before we vote on it.

**Mr. Griffiths:** Personally, I don't actually believe putting the minimum wage in legislation is a good idea. I'm still concerned that it's not flexible enough to account for changes in the economy. I do believe it worked as policy before – it did – and of course it allowed for changes. Maybe you weren't happy with the changes, but it allowed for quicker time to make changes to it. You might have wanted the wage to go up higher instead of not incorporating, but I don't actually believe it should be incorporated in legislation as a policy.

I'm not voting against this because of what would go into legislation. I'm voting against this because I don't think putting something in legislation has anything to do with clarifying and letting Albertans know it's there. There are a hundred ways to make it viable. I'm voting against it because I don't think it's going to be flexible enough. I'm voting against it because I'm concerned about what it would be, because whatever the formula works out to be, it is. I just don't think it's wise to put it in legislation, which is why I won't be supporting it.

**Mr. Chase:** Because of this round and round the mulberry bush discussion and debate, if we keep to exactly as it is, it makes no reference to the changed formula. All it references is "Alberta's average weekly earnings are calculated by the Statistics Canada," which is basically a definition of the calculation. Then, stating the formula used to calculate, we're talking about a different formula now. We need to somehow indicate that that formula is not strictly Alberta average weekly earnings. It was previously defined under the first bullet of part 2. It's the confusion that reigns there in the wording that I'm having trouble with because we're talking apples and oranges now. We had a basket of apples in terms of average weekly earning index, and now we've thrown in an orange and a grapefruit, yet we're trying to use the same wording to apply to all. We've got a fruit salad.

**Mr. Marz:** Well, as I stated earlier, I think we can clarify the whole thing because now the formula that 2 is talking about is not just talking about the Stats Canada formula, but it's talking about the formula that would be a result of incorporating average weekly earnings with market-basket measures and inflation. The term, the formula, that is now being referred to in 2 is the new formula that is talked about in the new number 1, so by deleting "Alberta's average weekly earnings are calculated by the Statistics Canada" and then just leaving the rest of number 2 reading:

The formula used to calculate the minimum wage should be stated in the legislation. The rationale for this recommendation is that stating the formula used to calculate Alberta's minimum wage ensures that the minimum wage policy is transparent for all Albertans.

**Mr. Chase:** Are we then going to take out of section 1 the bullet that states, “Alberta’s average weekly earnings measurement is Alberta-based and is reflective of Alberta’s economy”? Are we now taking out any reference to Alberta average weekly earnings? Because, in effect, by accepting not only Alberta’s average weekly earnings but market-basket measures and inflation, do we have to insert that clause into each of our previously agreed-to statements in the draft? This isn’t just wordsmithing. It’s policy, and it’s a major policy change from what had previously been agreed to, so we have to be clear throughout the documentation. If we’re going to take it out here, then we need to take it out there. In other words, I’m looking for some consistency.

**Dr. Taft:** Well, I guess I have two points. This is clearly a broken meeting; it’s clearly a broken process. When I go back and I look at the minutes from July 19, this committee gave directions for a draft final report. I think these minutes were approved, were accepted – right? – at the beginning of this meeting. What has happened is that the research staff took the direction of the committee from July 19. They prepared a report based on that. That report is in front of us. We’re now starting to take pieces of this report apart, and we’re discovering that the report is losing coherence. I just think it’s a broken meeting; it’s a broken process now. By doing what we’ve done, we’re actually going back, and we’re effectively changing the direction for the final report. Read it here in the minutes.

I think, Mr. Chairman, there’s a challenge here for this committee. One of them might be, rather than us now trying to draft a new final report, to change the direction to the research staff because this isn’t working. You know, as Mr. Chase just pointed out, now we’ve discovered that we should probably go back and redebate point 1 because it refers to the average weekly earnings, when we tossed that out.

I’m embarrassed right now to be an MLA in Alberta because this is such bad process. There are thousands of people whose daily lives hang on what we’re trying to do here, and we’re doing a bad job. The staff did what this committee asked them to do. If we want something different, then we should just bring this meeting to an end by giving the staff new directions and then having another meeting. I would ask each member of this committee to think about that, and I’ll leave it at that.

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

**Dr. Taft:** This is just awful.

**The Chair:** Well, this here, Dr. Taft, to answer your question, is a draft, which is brought forward to the committee for their consideration to take a look at. I think it’s well within our rights to take a look at what is being presented, whatever direction was given to us or given to the committee. That’s why it’s a draft. It’s not a final report we’re trying to change or amend. It is a draft form. The reason it is here is for us to discuss, take a look at what’s being presented, whether that’s the direction which was given to the committee or not. That’s why we’re discussing it in the committee forum here. Whether you agree with it or not, that’s the process. That is what we’re trying to do here, not changing the direction at all. It is not a final report submitted by the committee to us to put a stamp on it. It says quite clearly on it that it’s a draft, and that’s what we’re discussing. I’m sorry. I don’t agree with your comments.

Moving on to 2, please. If there are no other comments or questions on this, we’re going to get a motion on this and have a vote on it.

3:30

**Dr. Taft:** Is there a motion already on the floor, Mr. Chairman?

**The Chair:** No. There is no motion on the floor yet. We need somebody to put that motion on the floor.

**Mr. Hinman:** Well, I’d make a motion that we strike 2 and that it’s not stated in legislation. We don’t have what we want, so I’d make that motion that we strike 2.

**The Chair:** Okay. Any discussion on that motion? A motion is on the floor by Mr. Hinman to take out 2 completely. Any discussions on that?

**Mr. Chase:** The concept of stating a formula in legislation to me is extremely important. Without going into great detail, if something is left to regulation, then it’s not debatable. When it’s in legislation, it can be revised and in the full public venue of the Legislature. So pulling that concept out to me is antidemocratic, for lack of a better expression. I don’t see how we could be against the notion of putting a formula, regardless of how complex it is, into legislation. It’s just that the whole nature and complexity of the formula has changed.

**Mr. Hinman:** Well, I’ll challenge the committee, then, because I’m the one who’s been opposed to most of these things, feeling they’re not going to work. In bullet 3, like I say, it would be difficult, and we’ll discuss that next. No one would come forward and make a motion to support it, so let’s ask the question and defeat it. Mr. Chase, if you want the legislation, I couldn’t make the motion to support it, and nobody would, so I made a motion to strike it. Let’s get on then. If people want to support it, make the motion to support it. It was there for the committee, and nobody would make the motion.

**The Chair:** Thank you, Mr. Hinman. The motion is on the floor to strike it out. All in favour of the motion? Thank you. All opposed to the motion? Who else on the phone didn’t answer?

**Mr. Fawcett:** It was me. I agree.

**The Chair:** Thank you. Striking it or keeping it? The motion is put forward by Mr. Hinman to take out 2 completely. That’s the motion on the floor.

**Mr. Fawcett:** Okay. I agree with that.

**The Chair:** Okay. Take it out completely?

**Mr. Fawcett:** Yeah.

**The Chair:** I will vote to keep it. Thank you. The motion is carried.

**Mr. Marz:** If another motion is in order, Mr. Chair, then I would move that we keep 2 with the exception of the first sentence of the bullet.

**The Chair:** Two has gone through already, Mr. Marz. That’s what we just voted on.

**Mr. Marz:** Oh, I thought you voted to keep it.

**The Chair:** As it is.

**Mr. Marz:** As it is. Oh, okay. Mr. Hinman moved to delete it. We voted to defeat that motion, so now you need a motion to keep it, amend it, or whatever.

**The Chair:** Okay. Sorry. My mistake. Yes.

**Mr. Marz:** I would move that we would keep it with the amendment of deleting the first sentence in the only bullet there. So it would now read: "The formula used to calculate the minimum wage should be stated in the legislation. The rationale for this recommendation is that stating the formula used to calculate Alberta's minimum wage ensures that the minimum wage policy is transparent for all Albertans."

**The Chair:** Okay. We have a new motion on the floor put forward by Mr. Marz. Any questions on that? No discussion? Okay. Question: all in favour? Thank you. People opposed? Thank you very much. That's carried.

Moving on to 3. Okay. Go ahead, please. "The minimum wage should be consistent throughout Alberta." Any questions?

**Mr. Hinman:** Mr. Weadick earlier talked about the importance of a made-in-Alberta solution and went on that one can look back and read. I would say that if you use all of his arguments, why he pointed out we need a made-in-Alberta, it would to me bring a rationale that we don't need a made-in-Alberta. If we're going to have a minimum wage, we need a regional one.

[Mr. Chase in the chair]

The second bullet says, "It would be difficult to develop a process where different minimum wages would be legislated in various locations within the province." I think, as Dr. Taft has pointed out and as we've come to a discussion here, that it is very difficult to try and decide on what a minimum wage is for the whole province. If in fact the minimum wage for the whole province is a good thing and one shoe fits all, I would argue that, well, on that same rationale, then the minimum wage should be set for all of Canada. How do you geographically decide that Alberta is a geographical area that we can make one size fit all, yet a Canadian one doesn't fit all?

I wouldn't say that a regional minimum wage differential does not support small business. I would say just the opposite, that a regional differential minimum wage would support small business, and we need to look at that hard and long. The fact is that one size doesn't fit all. To say that what Fort McMurray needs or Calgary or Milk River, Grande Prairie, High Level isn't relevant, I think that we should be able to see after discussing this for almost two and a half hours that we're not going to do ourselves or business or wage earners in the province of Alberta any favour by setting one wage fits all for the whole province. So I would move that we strike 3.

It isn't going to work for the benefit of the province.

**The Deputy Chair:** Thank you, Paul Hinman, for your motion direction.

**Dr. Taft:** Well, I have noticed a style of argument from the member for Calgary-Glenmore that takes a position and then goes to the extreme and tries to discredit the position by going to the extreme. So I would go to the extreme implied by this member, which is a regional minimum wage, and I'd ask him to think about: what's a region?

Actually, just in the last week a restaurant opened in my neighbourhood. Now, my neighbourhood's pretty expensive. The one four blocks away is not as expensive. So are those different regions? Should we have minimum wage for each neighbourhood? Should we have a whole patchwork of minimum wages? Is that the extreme we should go to? How would you decide what minimum wage applied in Crowsnest Pass versus Carbon versus Lethbridge? How many are we going to have? How are we going to administer them?

Obviously, I'm not advocating that we should have neighbourhood minimum wages. I think I'm trying to illustrate that going to extremes and having one for the whole country is equally silly to having one for every neighbourhood.

[Mr. Bhardwaj in the chair]

The fact of the matter is that there's a jurisdiction called Alberta. It's been around for 105 years. There's a Legislature that covers Alberta. There are laws that cover Alberta. It's a working jurisdiction, and I think having province-wide policy is just a sound and workable solution. So I could not support this member on his proposal for regional minimum wages.

3:40

**The Chair:** Mr. Amery.

**Mr. Hinman:** Can I respond? He asked me a question.

**The Chair:** Oh, yes. He asked a question. Sorry. Go ahead.

**Mr. Hinman:** I really appreciate, Kevin, that question. That's what I've been advocating all along. I'm just making proposals to make a bad decision a little bit better in going regional. This committee seems bent on having a provincial minimum wage. I think we'd be far better served to realize that we froze it, and when we go forward when our economy recovers, it won't be relevant again because business will have to be competitive and go forward. But the longer we keep it intact and when we put all these government regulations in place, we actually slow the recovery rate.

There is certainly a position to play for government, but that's been my whole point, Kevin. It's extremely difficult. Economists can't get it right, and we as a committee coming together think that we're going to get it right. If we allowed the free market to do it and put in good regulations where abuse can't be taken of labourers in that area, which is provincial jurisdiction, that we want safe working areas, those types of things are fine. But to say, you know, that here's an area that we're going to say has to pay this much in Alberta and then just across the line or in a city like Lloydminster, it changes.

I'll give you an example. I met a businessman who's got a booming business right now. He looked at setting up. Just in the Edmonton area the land was going to cost him \$14 million to build that business. He went out to a small town, he spent \$1.4 million, and he's paying his workers a premium so they would move out to that small town to live because he saved \$12.6 million by locating in rural Alberta.

There are many ways to look at it on how to dissect the economy, but what we want is for a competitive Alberta, and let businesses decide. When we start putting in minimums or, heaven forbid, maximums on things, we hurt the free market. We don't let it function as it should, and then we say: see, it's not working. But we continue to interfere and say that it's not working. That's the problem, that we don't take the two steps back and realize: let the Alberta economy recover. We've got a minimum wage right now.

Let it just die out in the sunset because it becomes irrelevant going forward because our wages will be above that as our economy recovers again.

**The Chair:** Mr. Amery.

**Mr. Amery:** Well, thank you very much, Mr. Chairman. I can't let this go by without commenting on the differential minimum wages. Dr. Taft put it so eloquently; I can't even repeat what he said.

I mean, let's compare your constituency and my constituency in Calgary. Listening to you and your advice and your recommendation, we should have two different minimum wages in southwest Calgary and northeast and northeast or southeast Calgary because, I mean, the difference between these two ridings is like day and night. We must have one policy right across the province. I have seen people who own businesses in different parts of the province – in Edmonton, in Calgary, and in rural areas – and they all supported one minimum wage policy. We don't have different speed fines for school zones in rural and urban, and I don't think we should have two different minimum wage policies.

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

**Mr. Hinman:** Can I respond to the comment that he made?

**The Chair:** Talk on that point? Okay.

**Mr. Hinman:** I didn't advocate for regional, where it gets down to one neighbourhood versus the next. What I've spoken of, if you were listening in the committee, is that Grande Prairie is very, very different than Fort McMurray or Edmonton. Whether it's Strathmore, Airdrie, Calgary, Milk River, wherever, there are huge differences. You talk about night and day. I just think there's a great deal of hypocrisy for us to say that there's not any difference in the province of Alberta, but as Kevin says, it's extreme to say that in Canada there is. We're a very developed country, very sophisticated. We have pretty good labour laws throughout the country. To say that it's extreme to think of a Canada minimum wage but that it's not extreme to think of an Alberta minimum wage: I would challenge that, especially to say that I'm not advocating for regional ones. I'm advocating for: let the market. There's a big difference. Don't confuse them.

I'm saying that you guys want to set a minimum wage. A regional one will be far more beneficial for businesses. If someone in northwest Calgary wants to pay \$12, let's not stop them, but let's not say that they have to pay \$12. I mean, the argument is that if we're going to follow what this committee seems to be doing, we should be looking at the low-income cut-off, and then that, though, should be for the different areas where you work.

We're not addressing the problem. This is feel-good legislation that isn't going to address it for those people who need it. The free market is far more gentle. That's why it's called the invisible hand rather than the heavy hand of government. We're influencing businesses, where they can and can't set up, and the costs are extreme. This is a Band-Aid at best, but it doesn't solve the problem of people with low income. To change it to \$8 or \$9 or \$10 isn't going to solve the problem, so it's a Band-Aid solution.

I'm just trying to make a motion to make it a little bit more effective. Don't get confused and say, "Oh, I want to go down to the point where I'm going to go this side of the street and that side of the street." That's the whole problem with this. When you try to interfere with the free market, we only add to the problems. We don't solve them. Centralized government has never been the

solution anywhere in the world. It won't be the solution here in the province of Alberta.

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

**Mr. Fawcett:** Mr. Chair, put me on the list.

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

**Mr. Chase:** This reverence for the free market – let the free market decide; let the minimum wage be set aside until such time as the free market, this external entity with its benevolence, rises to the point where individuals are suffering currently at \$8.80 an hour in Alberta – I find unbelievable.

Our neighbour to the south has allowed without very much regulation an economy to get into the trillions of dollars in debt, with over 40 million Americans without health care. Surely, this isn't what is being advocated for Alberta. I don't believe that you believe that people should be left to be hung out and dried until such time as the market recovers, but unfortunately that seems to be what is being stated, and I look forward to the clarification. We as legislators have a responsibility to ensure that the market does not run roughshod over the people. That's why there are governments. That's why there are judiciaries.

Thank you.

**Mr. Hinman:** Mr. Chairman, can I clarify on that, then?

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

**Mr. Hinman:** Obviously, we've studied different books on economy and what makes a difference for a prosperous and peaceful nation. Hayek in his book called *The Road to Serfdom* says that where we've failed in the free market is that it's even more important for legislators to take an active role to ensure that there are no monopolies, that there's no abuse, and that we have a justice system. Where we've failed is in not bringing forth good legislation to ensure that there's a level playing field. For example, we have legislation on how many hours an individual can work, and we have lots of labour laws that are very different than setting the wage. We have to compete in a world market. We need to look at all of that. We have a publicly funded health care system. Canadians agree and I agree to pay some extra taxes to have those things.

What Hayek is arguing there is that central government has never worked. He talks about how by centralizing the decision, by centralizing and making one shoe fit all, it destroys the economy, and we all eventually become poor from that, or the economy collapses. In the States, I would argue, they didn't follow the rule of law, and they're going into debt, that they don't have a right to. Their Constitution says not to, and they go forward. They've breached contract law. They've put pension holders ahead of bond holders, so people can't invest in the economy any more with any trust thinking: I have security here. Government steps in and makes central decisions and places czars.

3:50

That's really what we're saying here, that we need someone who's smart enough, who's a czar, to set the wage, that we need some expert that's going to use some formula. That formula isn't going to work throughout the province. No, I don't want a laissez-faire market. That's very different. I don't want: the biggest rules. No. We need a justice system. We need rule of law. We need a Constitution to go by. That's what affords peace and prosperity, not

the minimum wage. It isn't going to solve it. It's a taxation problem. It's the cost of housing, that's going up through inflationary government measures. Spending more than we have only ends up, as you know, on a credit card. You spend more than you can pay off. It's expensive interest. We spend more money on interest than we do on, actually, many of the programs that we want to run.

**The Chair:** Just for the interest of all the committee members, we are scheduled to be here until 4 o'clock, but I think we would like to finish this today. If you can keep your comments brief and to the point, it would be greatly appreciated.

With that, I'm going to go over to Mr. Griffiths.

**Mr. Griffiths:** Thank you, Mr. Chair. I was going to point out that we have 10 more minutes to get the rest of this done. As meritorious as it is to have the conversation about the economy and have campaign speeches delivered here, this is not the appropriate place. I would suggest that from now on you rule out of order anybody who goes off topic remotely from the actual point that we're discussing.

**The Chair:** Thank you.

**Mr. Griffiths:** On that point I understand everybody's concern: it's not specific to the regions, and you get too much variance. Nothing is going to be perfect unless you make a specific plan for every single individual. Quite frankly, I just don't want to hire as many bureaucrats as we need to start to break this down regionally. It's not going to be perfect, but we're not talking about the construction industry here, where businesses pick up and locate based on the client. We're talking about the service industry. We're talking about waitresses. That's it. I'm sorry; it's not going to be perfect. But, quite frankly, I don't want more bureaucrats to make this regional and break it down ad infinitum. I recommend that we call the question, we have the vote, and that everyone support this.

**The Chair:** Okay. We have two people on the speakers list. If they can make their points quickly, and then we will call the question.

**Mr. Taylor:** I will drop off the speakers list. I support calling the question.

**The Chair:** Thank you.

Mr. Fawcett.

**Mr. Fawcett:** Yeah. Thank you, Mr. Chair. I will try to be brief. I've been very quiet over the meeting, but I just can't stand aside on this debate. For a second there I thought I was being taken back to my university days, being lectured about economics. I certainly believe in the free market as well, but I know my constituents elected me to represent all of their interests. The diatribe around that was just incomprehensible.

This makes it simple. It makes it simple for businesses. Whether they have a branch or they have a restaurant in Fort McMurray or Calgary or Edmonton, they know what the minimum wage is.

The Member for Calgary-Glenmore talks about less government, less involvement, yet he wants to support something that's going to allow the government to make things more complex for people and all in the name of differences. It goes to show where this member is coming from, being the former Member for Cardston-Taber-Warner. We tend to think that urban and rural areas in this province are so much different. Guess what? The city where he currently represents also has differences.

Mr. Chair, I just want to say that while they do have differences

– and I do support that – we can't go and legislate and bring in policy for every little difference in this province. That would be a bad idea, and people would stop investing in our province.

**The Chair:** Okay. Thank you, Mr. Fawcett.

We have a motion on the floor by Mr. Hinman to get rid of number 3 completely. How many people support that? All in favour of that? All the people opposed to that? Thank you.

**Mr. Griffiths:** I'd make a motion that we endorse number 4, support it.

**The Chair:** Well, we need to go back to number 3. We need a motion to support number 3.

**Mr. Taylor:** I'll move it.

**The Chair:** Moved by Mr. Taylor  
to accept number 3  
as it's on there. Seconded by Mr. Hinman?

**Mr. Hinman:** No, just speaking on it. No seconder is required. The chair discussed that a long time ago.

**The Chair:** Thank you. I do understand that. I was just kind of curious what your hands were going up so quickly for.

**Mr. Hinman:** Well, to talk to the motion and to go against that other diatribe that went on. I never said that I wanted all that. I want to eliminate minimum wage and leave it as it is and grow out of it. I just wanted to clarify that.

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

**Hon. Members:** Question.

**The Chair:** Okay. All in favour of keeping number 3? All opposed? Okay. Thank you. The motion is carried.

Moving on to number 4, please, that  
the minimum wage should also be consistent for all minimum wage  
earners.

The rationale is on there.

**Mr. Griffiths:** I move that we support it.

**The Chair:** Any discussion on number 4?

**Mr. Hinman:** I would just like to speak against this one. I don't think it's going to work.

**The Chair:** Okay. Question?

**Mr. Chase:** I was just calling the question.

**The Chair:** Okay. All in favour? Opposed? Thank you very much. Carried.

Moving on to number 5, please. The base minimum wage is currently \$8.80. That's number 5, right? Okay. Mr. Amery and then Mr. Chase.

**Mr. Amery:** Well, thank you, Mr. Chairman. I would like to be brief on this. I mean, after five and a half months discussing the minimum wage and giving a lot of minimum wage earners a lot of hope, I think that by keeping it at \$8.80, we would be doing them a



lot of disservice. You know, in about a month New Brunswick, I think, will be raising their minimum wage, and we will be the second lowest in Canada and the richest province in Canada. I would recommend or suggest that we raise it to at least \$9 and remove from this recommendation the dates, those blanks here, and substitute “by changing it annually” instead of having a specific date.

**The Chair:** Okay. We have a motion on the floor put forward by Mr. Amery. Dr. Massolin first, and then we’ll talk to Mr. Chase.

**Dr. Massolin:** If I could just sort of intervene here briefly and just explain, maybe, what this recommendation tries to do. Basically, what it tries to do is just reflect what was said at the last meeting, that the base minimum wage, from which the next minimum wage will be calculated, is \$8.80 per hour and that the other two components of this recommendation are basically an announcement date and an effective date. So that’s what the blanks are there.

Thank you.

**The Chair:** Okay.

**Mr. Chase:** I look forward to my colleagues helping me with my concern, but the reality is that during an extremely high recessionary period in Alberta the wage earners have been stuck at \$8.80 for the better part of a year and a half. I think, going forward, it will be important, as has been noted, for employers to receive a sufficient lead time so that they can implement the increases. While I realize that we cannot accomplish what we do in terms of teaching contracts, where the wages go back to the date where they first agreed to have them implemented – in other words, they’re retroactive – we cannot bring retroactivity into the consideration.

What I would like to see is that we take a date such as September 1 of 2010 and say that as of January 1 that will be the minimum wage, based on the index that we’ve previously used for calculating the minimum wage. But that’s just the catch-up part of it. What I’d like to see to be a permanent solution in terms of filling in these blanks is that it occur whatever the weekly averages – and you can take into account all the other measures you like if you wish – are influencing as of January 1, then giving the employer sufficient heads-up time that it be enacted on April 1 and potentially run from April to April. As I say, I want a reflection of the fact that people have been suffering, and I don’t want them to continue to suffer for more months at this \$8.80. We have to work towards a solution which would see the wages adjusted accordingly on an annual basis at an automatic switch time.

4:00

**The Chair:** Thank you.  
Mr. Taylor, please.

**Mr. Taylor:** Thank you, Mr. Chair. If you will indulge me, I just want to ask some more questions of Dr. Massolin because I’m not sure that I understand point 5. It would seem to me that if we were going to fill in the blanks – and I’m going to be absolutely arbitrary about this just for the purpose of example – changes to the minimum wage should be announced on, let’s say, January 1. “Increases to the minimum wage should occur once annually beginning in” 2011 “on the” 1st “day of the month of” April. Was the purpose, Dr. Massolin, of point 5 to capture the desire for a notice period to employers so that the changes would be announced in January to take effect in April beginning in 2011, for instance? Was there an anticipation on your part as you wrote this that there would be an increase that would take effect, then, at the first point of increase?

You see, I’m struggling even with the wording of the question here because it’s a bit confusing. I pick up a sense from some of my colleagues here that there’s a belief that we should be at least modestly increasing the minimum wage right away, if not sooner, and that after that we set up a timetable by which on the first day of month X, which is three months before the first day of month Y, employers get 90 days’ notice that on the first day of month Y there’s going to be another increase. Can you comment on that? Am I on the right track? Am I interpreting this the way intended?

**Dr. Massolin:** Mr. Chair, I think my interpretation of the committee’s direction last time was simply to have a base minimum wage from which the changes would take their cue, if I can put it that way, and that base minimum wage was indicated as \$8.80 per hour. That’s the first component. The second component is that there’s an announcement date and then an effective date so that you’d have a lead time so that employers and employees could prepare for the changes. My understanding is that, basically, at this meeting there is perhaps talk of altering that \$8.80 per hour figure, but essentially everything else stays the same.

**The Chair:** Okay.

**Mr. Taylor:** Then, Mr. Chair, I would interpret from that that if we wanted to institute a more or less immediate wage increase, we would need a separate recommendation for that, and then following that, we could follow this timetable. Correct? Yes. Okay. Thank you.

**Dr. Massolin:** Yes. I would say that that is correct, Mr. Chair.

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

**Mr. Griffiths:** Three things that it might not quite clarify. Instead of saying when the new increase should take effect, we’re basically recommending it now. Do it as soon as possible, and this is what it should be. The second one is that it should change every year, and I don’t know what date. I don’t know if April is best or January. It depends on when the average weekly salary index stats come in, right? The third one is how much notice you give to employers and employees on how much it’s going to change in three months. We need to change the wording to reflect that. I think we would all agree that that should be the intent although we might not agree on the \$9 and whether it should be immediate, the other two factors.

**Mr. Hinman:** First, I appreciate the chair for not cutting us off at 4 o’clock as in Members’ Services. Maybe you could get a new job. It’s good that we want to continue working on here and not just up and run when the clock strikes.

**Mr. Amery:** A campaign speech.

**Mr. Hinman:** Reality, truth speech there, Mr. Amery.

Harry, you talked about the suffering, and I’d maybe go to struggling. We’re making arguments here that seem like this is July or September 2008, but it’s September 2010. I don’t know what the rent rate has done in Calgary-Varsity, but in Calgary-Glenmore the rent rate has gone down. The price of fuel has gone down. So one of my worries when you say all of these things and we put it in there – that’s why I asked what index we wanted to use. We could actually see, if we pick one of these indexes, find out in six months that the minimum wage rate is going to go down. That’s why to me it says: well, if want to do anything, pick the index that raises it. It’s easy to pick one that’s going to go down. But it’s going to be six

months from now before those indexes come out. We're a little bit slow.

I think everybody here realizes that the cost of living today is lower than it was in 2008 on many aspects: rent, buying a house. If you do those things today versus July 2008, we would be spending less money. We need to be careful here. At least in my area, like I say, those costs are significantly down from July 2008. I just want to say that we need to be careful on what this committee is trying to do, realizing that new reports are going to come out, new realities. Are the consequences being considered?

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

We'll go back to Ms Notley. Go ahead, please.

**Ms Notley:** I mean, this is very hard. There are a lot of issues buried in this one, right? I don't know if it's possible to break them out. Perhaps one is: what do we do with the current rate? Two, how much notice do we think is a good time to give outside of that issue? Then three, what point of the year would we recommend that it be implemented? It might be easier to discuss in that way. I'm just throwing that out.

Generally speaking, I want to say that I'm pleasantly surprised to hear members from the other side talk about the fact that we've missed the opportunity to give a raise and that they're talking about wanting to do that sooner rather than later. Of course, had we used the current average weekly index, we'd be at \$9.05 an hour. I think that when you take into consideration that you obviously – I'm assuming it's obvious; I hope I don't have people from my world telling me I'm being too generous – can't ask employers to deal with it retroactively, people have lost at this point April, May, June, July, August, September, October. So we're over seven . . .

**Mr. Chase:** Add the year before because it goes back to April of 2009.

**The Chair:** Can you let her finish, please?

**Mr. Chase:** That was the last time it was raised.

**Ms Notley:** Right. But it was raised on April 1, 2009, and it was expected to raise again on April 1, 2010. That was the point at which the raise that should have happened didn't happen.

So we're looking at seven months of lost 25 cents an hour, essentially. Where do we go from that? I'd like to see this committee make an actual recommendation of how much for the immediate one. That's my approach. Maybe do that separately and then talk about the notice issue although I will say that your notice issue is going to get tied up into your formula issue. That's going to be part of your problem with that.

I guess they're not totally actually separated because if you end up looking at September 1, 2011, as the implementation date, then frankly I would want to see my immediate amount be higher. Right? If you can look at an April 1 date, then I would think: okay, well, let's just look at what we're dealing with this year. There are a lot of unknowns in there. Anyway, that's a suggestion, that we break it down that way nonetheless.

**Mr. Taylor:** Mr. Chair, some advice, please. We have to have this report in to the minister on October 12, I believe is the date, on or about October 12. Then the standing orders call for the government to respond to a policy field committee's report on any matter other than a report on a bill or a report provided for under a different standing order within 150 days from the date on which we report.

So that would be five months down the road, more or less. Can we as this committee recommend an increase to the minimum wage that would take effect before October 12 even, let alone before the period of grace that the minister has to respond to us? Are we constrained in any way by these standing orders from saying that we'd like to recommend an immediate increase in the minimum wage to \$9.05 an hour or whatever the committee agrees?

4:10

**The Chair:** We can entertain that motion, but I think to answer your question, Mr. Taylor, I need to go back to our Parliamentary Counsel to get clarity on that because I'm not a hundred per cent sure. If you make the motion, make a recommendation, whether it will take effect immediately or it has to wait until the 12th I'm not sure.

**Mr. Taylor:** Okay.

**The Chair:** I can't answer that. I can get back to you on that.

**Mr. Taylor:** But you don't seem to be saying that we would be constrained from making a recommendation that an increase in the minimum wage take place after we deliver our report but before the minister responds to it.

**The Chair:** No. I think we're well within our jurisdiction to make a recommendation, but we need a motion, probably, on that. Let me talk to Mr. Hinman, and then we'll come back to the motion.

**Mr. Hinman:** The bullet under number 5 is: "Employers need reasonable notice of changes to the minimum wage in order to have time to plan and budget for increases." I'd like to make a motion that we make it at least three months' notice to employers before we raise the minimum wage so that it doesn't just spring out and hit them.

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

**Mr. Marz:** Just looking at the letter of Mr. Lukaszuk, our minister, the fourth paragraph says: "As such, and pursuant to Rule 52.07(2) of the Standing Orders of the Legislative Assembly of Alberta, I request that the Standing Committee on the Economy conduct a review of Alberta's minimum wage policy." Are we going beyond that and suggesting Alberta minimum wage rates? There's a difference. There's a policy to set the rate, and then there's the rate itself.

**Mr. Hinman:** You need to speak on my motion to give three months' notice to employers before we do anything.

**The Chair:** Okay. Just one second, Mr. Hinman.

Go ahead, Mr. Chase, and then we'll deal with your motion.

**Mr. Chase:** Thank you. I think what Rachel and Dave Taylor and Paul have addressed is that if we can pull this apart and come to agreement on the stages of it, then there would be value. Paul has suggested something that I think every committee member agrees to or at least has previously in terms of hearing a variety of both employers and students, employees, et cetera, talking. It's the need for employers to have that lead time in order to make the changes necessary in their business. Paul has put forward a motion of three months. I realize it doesn't require a seconder, but that part of it I think we could potentially achieve agreement on, and therefore I am supporting the motion of allowing employers three months in order to adjust to whatever change in minimum wage.

**The Chair:** Okay. Well, Mr. Amery has got a motion on the floor, first of all, which we were discussing.

**Mr. Amery:** Do you want me to reread it?

**The Chair:** I'd like you to reread it. We'll vote on that before we do anything else. Go ahead, please.

**Mr. Amery:** Okay. I would recommend that the base minimum wage that is currently \$8.80 be raised immediately to \$9. I'd further recommend that the committee recommend that changes to the minimum wage should be announced annually, giving enough advance notice to allow businesses and wage earners time to plan.

**The Chair:** Okay. That's the motion we're discussing.

**Mr. Hinman:** I'll speak to that motion very briefly.

**The Chair:** Very briefly, please, because we're going to vote on it.

**Mr. Hinman:** I guess we're saying immediately here but not immediately to the minister because to me we need to give businesses that three months' notice. I'm just not quite clear whether you're saying that you recommend the minister immediately do that with no lead time for businesses. Is that what your motion is?

**Mr. Amery:** Well, I'm just considering the lead time, the three months that you recommended.

**Mr. Chase:** Could you put that into your motion, Moe?

**Mr. Amery:** Yeah, we could. So the base minimum wage that is currently at \$8.80 be raised to \$9 in three months.

**The Chair:** Okay. That's the motion we have on the floor. Any more discussion on that motion? Ms Notley, briefly, please.

**Ms Notley:** Actually, I'm just going to see if anybody wants to make the motion since I'm not a member of the committee. I would say \$9.05.

**The Chair:** Well, he made the motion. We are just going to vote on it.

**Ms Notley:** I know. I was going to make an amendment. It's not in order for me to make an amendment. I'm asking if anybody would consider making an amendment to bring it to what it would have been had we done the average weekly earnings, you know, the formula we had in place, bearing in mind that we've already lost eight months of those folks earning that. Would anyone entertain making an amending motion to increase it to \$9.05?

**Mr. Amery:** I would remake the motion.

**The Chair:** As a friendly amendment. Okay. If you're okay to make a friendly amendment, go ahead.

**Mr. Amery:** I would recommend that the base minimum wage, that is currently \$8.80, be raised to \$9.05 in three months and, further, that the committee recommend that changes to the minimum wage should be announced annually, giving enough advance notice to allow businesses and wage earners time to plan.

**The Chair:** We have a motion on the floor put forward by Mr. Amery. All in favour of the motion? Okay. People opposed? The motion is carried. Thank you.

That brings us to our very last point, item 6: "Minimum wage earners should not be subject to income tax. The Government of Alberta . . ." I'm sure you can all read.

**Mr. Hinman:** I'd like to vote in favour of this motion. This is something I spoke to during the committee and in *Hansard*, but we need to look at the real problem: taxation, what these people that are on minimum wage are having to pay.

The federal government's current basic tax exemption is less than \$10,000; ours, I believe, is just over \$16,000 now. So they still are subject, I believe, to a little bit of income tax. If we want to help them, let's at least let them keep the money that they've earned rather than taxing it back. I think that the biggest thing that as a province we can do is to talk to the federal government about raising the basic tax exemption to really be able to help these people out because that's where the big taxation is. We need a province that's standing up for its workers and being an advocate at the federal level.

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

**Mr. Marz:** Is that a motion?

**The Chair:** No. He's just speaking.

**Mr. Marz:** Just a comment. Okay.

**The Chair:** Just a comment in favour.

**Mr. Marz:** Well, again, going back to our mandate, it's to conduct a review of Alberta's minimum wage policy, not to conduct a review of Alberta tax policy. This is clearly crossing over that line, in my view. Alberta already has some of the highest personal exemptions, so you can earn more than anywhere else before you're taxed at all in Alberta.

There's another issue with the statement that minimum wage earners should not be subject to income tax. There are people who are retired and on full pensions and are doing something to keep themselves occupied. Should they not pay tax? It's only part of their overall income; it's not their total income. So it doesn't speak to that. It's assuming that it's their only and total income. There are lots of situations where people will be partners in a business and still work out part-time just for the social aspect of getting out there. Should they be exempt from taxes on their income just because they are minimum income earners?

It's not clear enough to accept. I don't think we should be getting into tax policy. I have no problem with a statement that would say that we should entertain discussions with the federal government to encourage them to change their tax policy to reflect something like Alberta's, where the higher exemptions are, so that the federal government would give the same benefits as Alberta. Alberta has already got some of the highest exemptions in the country.

We can only reflect Alberta tax. We can't rule on federal tax.

4:20

**The Chair:** I think you clarified some of it yourself. It says in here: "to ensure that this is the case and should also work with the Government of Canada to ensure that minimum wage earners do not pay income taxes." So it is stated in there.

With that, Mr. Taylor, please. Go ahead.

**Mr. Taylor:** Okay. Mr. Chair, I wanted to add a seventh recommendation to our list of recommendations, and I'm prepared to make a motion to do so.

**The Chair:** Can we finish with the rest of these first?

**Mr. Taylor:** However, I think we have to finish this before I can get to mine.

**The Chair:** Yeah. We need to finish number 6.

**Mr. Taylor:** Thank you.

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

**Mr. Hinman:** There's hope, Dave, because the government members are leaving quickly, and we're going to have a majority on this side. So it's good.

I agree with Mr. Marz on the fact that it's poorly written, but I just want to let people get out that the point is to raise the basic tax exemption, and that, to me, would be a more legitimate statement. I don't necessarily agree with the way it's worded, but the bottom line is that people with low income shouldn't be taxed when they already can't make ends meet. We have GST and other areas, but my concern here is the basic tax exemption. I think there's room even here in Alberta that we can continue leading and showing that example throughout the country by raising ours so that it takes in low-income earners and not taxing them here in the province, certainly setting the example and speaking out at the federal level.

**Mr. Marz:** Mr. Chair, clarification.

**The Chair:** On the point? Yeah.

**Mr. Marz:** I don't know if somebody can answer this. How many people on minimum wage currently pay Alberta taxes right now?

**Mr. Morris:** I believe the information that the department had provided was based on a number of assumptions, of course, in terms of hours worked, but a minimum wage earner working full-time shouldn't really be paying any provincial income tax. They would be paying some federal income tax.

**Mr. Marz:** But no provincial income tax?

**Mr. Morris:** That's what the after-tax calculation shows, yes.

**Mr. Hinman:** There are lots of people on low income or on minimum wage who work two jobs. We take a government position of saying: oh, they only work 40 hours a week. Many work more than that, and we're taxing them. If, in fact, \$21,000 is the low-income cut-off, we're taxing them after \$16,000; the federal government, you know, less than \$10,000. So there is a significant tax on them. But let's not look in the reality thinking that nobody works more than 40 hours a week that is getting minimum wage. There are many that take on a second job. To me, like I say, we're punishing them for trying to make ends meet by taxing them at such a low rate. I hope that helps clarify it.

**The Chair:** Thank you.

**Mr. Chase:** What we're trying to do partially in this statement is recommend to the federal government that they take into account tax

measures that would benefit low-income earners. That's the most important part of the clause.

To Mr. Marz. I'm far from being a terrific mathematician, but my understanding of the way income tax is calculated, whether provincially or federally, is that it's a cumulative circumstance. For example, I have a teacher's pension, and there's a portion where I enter that pension. So other pensioners who might be tempted to go back to work, whatever minimum wage they earn, that will not be calculated separately from their overall, cumulative income. Therefore, the idea that somehow they would be penalized if they were to take a job which brought them up a tax bracket, I mean, that's a choice that they would make, but they would not be preferentially treated because they decided to be a Wal-Mart greeter or carry out groceries at Co-op. It's a cumulative tax system.

By all means, let's recommend to our federal counterparts that they give low-income Albertans a break.

**Mr. Marz:** I was merely trying to highlight the fact that this is very poorly worded and that there are a lot of circumstances out there that people are making minimum wage and would be getting the wrong impression about this.

**The Chair:** Okay. So would somebody like to reword it or rephrase it? Then we put it to a motion as quickly as we can. I think we're running overtime here.

**Mr. Hinman:** Yeah. I'd make a motion – like I say, it's good that the government members trust us at this point, that they leave and don't shut down the committee – that the government of Alberta should take measures to ensure that . . .

**Mr. Marz:** Point of order, Mr. Chair. I believe the rules still apply here that members don't make reference to other persons' absences.

**Mr. Hinman:** I was going to say: is that referring to the last time you left or this time?

**Mr. Marz:** Especially if they have to go to the bathroom.

**The Chair:** That was my mistake.

**Mr. Marz:** Are you upholding the point of order or not?

**The Chair:** Carry on, please.

**Mr. Hinman:** I'm just trying to think quickly how to word this, then: basically, that the government of Alberta would continue to raise the basic tax exemption to accommodate low-income earners and encourage the federal government to match the rate that we in Alberta set for basic tax exemption.

**The Chair:** Can we have a printed copy?

**Mr. Hinman:** No.

**The Chair:** The very bottom bullet you are completely getting rid of, then, right below number 6?

**Mr. Hinman:** Well, I think that what Mr. Marz wants is to replace the whole number 6 with something that is more precise and just talking about basic tax exemption rather than saying that they'll pay no tax, that the province of Alberta will continue to raise the basic

tax exemption to accommodate those living below the low-income cut-off.

**The Chair:** No, I don't think he said to continue to raise.

**Mr. Marz:** The point I'm trying to make is that we're getting beyond minimum wage policy. We're getting into taxation policy here, and I think the whole thing should be struck.

**Mr. Hinman:** Do you have the motion in any sense?

**Ms Rempel:** That the province of Alberta continue to raise the basic tax exemption for low-income earners and encourage the federal government to do the same.

**Mr. Hinman:** To match our level of basic tax exemption. Then we can vote for or against that.

**The Chair:** A motion has been put forward by Mr. Hinman. Any discussion on that?

**Mr. Taylor:** Mr. Chair, again, I was away for the last meeting, but I'm assuming that this recommendation is in here to reflect some at least perceived consensus at the last meeting that something should be said to address the issue that minimum wage earners should not be subject to income tax. Am I right about that? If I am right about that, then I think that while it veers into the area of taxation policy – there's no question about that – it does speak to minimum wage policy. It is merely a recommendation that this committee is making to the minister, and the minister can then decide whether he wants to accept that recommendation or not. I would think that it's certainly a recommendation that this committee could make.

**Mr. Marz:** I would just put a statement that the minister should entertain discussions with the federal government to encourage them to have their personal exemptions for minimum wage earners more in line with what the provinces are promoting, particularly Alberta.

**Mr. Hinman:** I would accept that as a friendly amendment. I just want to put in there some word that the committee agrees with.

**Mr. Marz:** Yeah, that's fine. I think that would be a good thing to do.

**The Chair:** Do you want to read that, please, into the record? We have an amendment being proposed by Mr. Hinman. Go ahead. Read it, please.

**Ms Rempel:** I think that with the friendly amendment we're looking at something along the lines that

the committee encourage the minister to entertain discussion with the federal government to encourage them to have personal exemptions for minimum wage earners more in line with those that the province is setting.

**Mr. Hinman:** I don't think we should put minimum wage, just that the basic tax exemption be raised to match ours, not addressing, I mean, whatever the reason is they got low income. The basic tax exemption doesn't ask whether or not they're making minimum wage or only working a few hours a week.

4:30

**The Chair:** Everybody clear on the amendment? Okay. All in favour of that amendment? Show of hands? People opposed? Thank you. Okay. The motion is carried.

We have one more item which Mr. Taylor would like to bring on to the recommendations as well.

**Mr. Taylor:** Thank you, Mr. Chair. This is a motion that is written out, so I will pass it to the committee clerk, and she can distribute it as she wishes.

We've spent a lot of time here for the last five and a half months investigating what the minimum wage is, what the minimum wage should be, what minimum wage policy should be. We've gotten into some pretty broad-ranging discussions in some of our public hearings which have touched on a lot of issues that go just beyond: "Should it be \$8.80? Should it be \$9.05? Should it be \$12.25?" Whatever. A lot of those issues have touched on the underlying issue of poverty. In my city, in Calgary, there are 140,000 people living in poverty, 90,000 of whom are the working poor.

I would like to propose a motion, and this motion is worded, I hope, suitably broadly so as to empower the minister and empower the government to do something rather than tying their hands around designing the blueprint for it. I would move that

in the interests of developing longer term solutions than can be achieved through minimum wage policy alone, the government of Alberta recognize the need for a designed-in-Alberta poverty reduction strategy and that it study best practices in other jurisdictions and engage in broad-based public consultations in order to create the strategy.

That is the motion.

If I may speak to it, Mr. Chair, Alberta is one of only three provinces that as of today have done nothing towards a poverty reduction strategy. Not all of the other seven provinces and three territories have fully fleshed out poverty reduction strategies at this point. Some are still going through the process of consulting and constructing. Some have those poverty reduction strategies written and in place and on the ground, being applied.

The province of Newfoundland has had a poverty reduction strategy since, I think, 2006, 2005, and they've certainly seen some results on that. Newfoundland had one of the highest rates of poverty in the nation in 2003. By 2009 the poverty rate in Newfoundland had fallen to third lowest in the nation. Can I say that their poverty reduction strategy is one hundred per cent responsible for that? Or did, you know, offshore oil have a little something to do with that? Did Newfoundlanders who were working in the oil sands and flying back home on Fridays with a fair amount of cash have something to do with that? I don't know what the ratios would be, but the poverty reduction strategy certainly had something to do with it.

I think that we need to in the province of Alberta – and I think we should make this recommendation to the minister – recognize that there is a need for a designed-in-Alberta poverty reduction strategy, which I would argue means that we can look at Newfoundland's. We can look at New Brunswick's. We can look at Quebec's. We can look at Ontario's. We can look at Manitoba's. We can take an approach very similar to our 10-year plan to ending homelessness, which is that we look at other jurisdictions that have these things in place, these policies in place, or strategies in place – I should not use the word "policy" here; it's a strategy – and see what works and what doesn't and what might be worth considering including in a designed-in-Alberta strategy.

At the same time we should be engaging in broad-based consultations involving all levels of government if we can get them in there, business, the nonprofit sector, people who are living in poverty today, people who have experienced poverty, government officials, so on and so forth, as broadly based as we can make it and as province-wide as we can make it because we need to hear from local

people and local groups what will work in the context of their local experience, and we also need them to buy into this strategy.

That puts a little more flesh on the bones of my thinking in this motion, but you'll notice that I've purposely worded the motion in such a way that I am not tying the minister's hands. I am not tying the Premier's hands. I'm merely urging that the government of Alberta follow this recommendation and start to work on a designed-in-Alberta poverty reduction strategy that involves studying the best practices of other jurisdictions and engaging in broad-based consultations, however that may be defined, in order to create a strategy that is going to have buy-in from not only the people who will be the direct beneficiaries from it but all people in Alberta who will be impacted and, I think, positively.

With a poverty reduction strategy, as we work through here and see what kind of results it produces, I think we're going to find very much the same thing that we have found with homelessness, that you can make the business case that actually getting people out of poverty costs the taxpayer less than keeping them in poverty. We know, for instance, with homelessness that a housing first strategy can take a homeless guy, put him into an apartment that the taxpayers are paying the rent on, get him a caseworker to start helping him get things right in his life, and do that for roughly \$35,000 a year. Or we can leave him on the street, and by the time we add up the costs of his shelter stays, all those times that he stayed overnight blocking a bed in emerg in a hospital because they can't release him back out onto the streets, every time he's come into conflict with the police, every time he's come into contact with EMS or any other emergency services, duplicated, unco-ordinated services to try to help the guy, he can ring up an annual bill of between \$100,000 and \$150,000.

There's a good business case for doing this, and I hope the committee will support my motion.

**The Chair:** Can I comment before we debate this motion? Mr. Taylor, very good. I mean, I'm personally very much in favour of this here. I think this falls right in line with our recommendation 6, which was overwhelmingly supported, and also well within our ending homelessness strategy. But I think this strategy could be much better dealt with in Community Services under Housing and Urban Affairs. I'd be more than happy to carry this and make a recommendation to the chair of Community Services to entertain this and put this on their committee as an agenda item, with your permission.

**Mr. Taylor:** Well, if I may just clarify a little bit around that. When and if this is done – and I think I would argue that we have as much authority and ability to make this recommendation to our minister within the context of this report as any of the other committees might – a poverty reduction strategy, just like a campaign to end homelessness, is going to involve a number of different issues. Poverty reduction is not only going to involve what minimum wage is or what wages and pay rates are generally. It's going to involve education and skills training. It's going to involve issues around meeting basic needs, whether that's funding for community transportation alternatives, tenant protection, raising allowable asset exemptions, allowing people who are on AISH, for instance, but who can work part-time to keep more of the money that they earn before it starts to be clawed back, social assistance rates, questions around mental and physical health, addictions, all sorts of things. It must by nature involve a cross-ministry approach, just as ending homelessness involves a cross-ministry approach.

I think, Mr. Chair, with your permission we can add this recommendation to our list to send on to the Minister of Employment and

Immigration because his ministry would most certainly be involved in this. I've suggested here in this recommendation that the government of Alberta recognize, rather than just the minister. If we want to also refer it to the chair of the Committee on Community Services for his input, I wouldn't have a problem with that, but I think we should make this a recommendation 7 in our report and add it in there.

4:40

**The Chair:** Okay. We have a motion on the floor by Mr. Taylor. Ms Notley, go ahead, please.

**Ms Notley:** Well, thank you. I guess, first, starting on the issue of whether this is the appropriate place to consider this motion, I, of course, would argue that it is. Mr. Taylor has already identified some of the reasons for that in that there's no way by exclusion to identify where the motion belongs because it impacts so many different ministries. It could actually be in any committee quite legitimately.

More importantly, the committee to which you refer is in the midst of doing something else that's been tasked to it under standing orders by a minister, which means sending it to that committee would delay the process. Meanwhile, this committee, under the direction of the Employment and Immigration minister, has just spent five months hearing from many organizations and advocates who work directly with issues that are impacted by the issue that Mr. Taylor addresses. We've heard how the issues that Mr. Taylor's motion addresses are inextricably linked to the question of minimum wage and the considerations in that regard. So I think that it's a very, very natural fit.

Indeed, the Minister of Employment and Immigration himself, above and beyond dealing with minimum wage issues, also administers income support, also is in charge of many of the housing rent supplement pieces now, too. So that is the ministry that probably holds the majority of these issues within its jurisdiction.

I think that, really, if we weren't coming here and we just asked somebody off the top of their head to say which committee right now would be the best one to deal with this, after you sort of thought through it and figured out which the different ministries were and went back and forth, you'd end up landing in this committee anyway.

Having said that, I think it's a motion that's very worth pursuing. As Mr. Taylor mentioned, we are one of three provinces that has yet to adopt a poverty reduction strategy. Now, I'll be the first to say that adopting a poverty reduction strategy doesn't necessarily mean great outcomes. It does mean good press for the government that adopts it. The next question, of course, becomes how well it's ultimately implemented, but you're not going to start that process of implementing something meaningful if you don't first start with the strategy. I think the fact that seven other provinces have gone there means that there's some value to it.

We've been talking off and on about made-in-Alberta issues. We're lucky that we've got at least two organizations within the last year that have done work on that issue. We have the We Must Do Better report that was put together by Edmonton Social Planning Council, Bissell Centre, all those ones, and we have the social workers of Alberta report that's already started good work on this. I think it's an opportunity for us to show that we've read what they've done, that we've listened to what they've said, and that we want to try to lay the groundwork for going forward with it.

**The Chair:** Okay.

Mr. Chase. We need to please be brief. We're running in OT here.

**Mr. Chase:** I'll be very brief. I'll start with the potential referral to Community Services. As has rightly been pointed out – and I'm a member of that committee – we're very involved in discussions on Bill 203 in terms of fees for electricity delivery. I know for a fact this would be put back in terms of being dealt with.

We are the Standing Committee on the Economy. Poverty, economy: they're one and the same. Without a successful economy you're into a poverty circumstance. It seems to me that this would be an ideal place to put forward the motion, which we are basically passing on to the government and saying: take up this cause; take up this charge. To the government's credit there is more cross-ministerial co-operation between, for example, Children and Youth Services, between Alberta Health, between Alberta Education. Cross-ministry solutions are becoming more prevalent because it's a matter of necessity. No one ministry alone has all the answers.

What Mr. Taylor has put forward is a laudable concept, which hopefully will be adopted. I don't think he particularly cares which all-party committee takes it on, but I'm suggesting and echoing what Ms Notley has stated. I think this would be a great place to kick it off from.

**The Chair:** Okay. We have a motion on the floor put forward by Mr. Taylor. Any more discussion on this? Okay. All in favour? Okay. Anybody opposed? Okay. The motion is carried.

Thank you, Mr. Taylor.

**Mr. Taylor:** Mr. Chair, thank you very much. I appreciate that we are running on overtime. Thank goodness we're in our own committee room because probably if we were in a rented facility, we'd be getting kicked out now so they could clean it for the next community group coming in.

It's been a long meeting, but I thank you for continuing the meeting and allowing me to add recommendation 7. I think it's a significant recommendation that takes a big step down a road that this province needs to go. Thanks.

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

That brings us to the date for our next meeting.

Okay, we need a motion because we made a number of changes to the report which was presented here. We are going to ask the committee to make a motion that after the changes are made by the staff, myself and my vice-chair here could approve them, if it's okay with the committee members, as opposed to having another full committee meeting, that the changes which were presented here today and discussed here today be rewritten in the form of a draft again and then be approved by myself and the vice-chair and then that they be circulated. We need a motion on that.

**Mr. Taylor:** I'll so move.

**The Chair:** Okay. Moved by Mr. Taylor.

**Mr. Hinman:** There wouldn't be some way for the committee being able to vote on that rather than just having you and the co-chair vote on that? There would be no other way, e-mail or something else?

**The Chair:** If need be, we could distribute it for comments.

**Mr. Hinman:** That would be appreciated.

**The Chair:** You can have a peek at it electronically before we sign off on it if that's acceptable.

You would like to make a friendly amendment, Mr. Taylor?

**Mr. Taylor:** That would be fine.

**The Chair:** Okay. All in favour?

**Mr. Taylor:** Mr. Chase had something to add.

**Mr. Chase:** I very much appreciate the trust given to Mr. Bhardwaj and myself. This has been a very controversial meeting, to say the least. In the latter part of it I saw it as being more productive than in the former part, but I would like to have the active participation, as opposed to the e-mail participation, of all members so that ideally we could have a unanimous report go in, as opposed to a dissenting report.

I know that a significant number of members would feel that the extension beyond the weekly earnings index is a stumbling block for unanimous consent. I'm suggesting that we meet on a Wednesday as our Tuesdays are booked from a Liberal caucus point. I don't have trouble with it being the 22nd, for example, or the 29th of September, which would still give us time to have it on time in October. As vice-chair of the committee that would personally be my preference, and I'm putting it out there.

**Mr. Marz:** The 21st would be the best for me, but I could do also the 23rd.

**The Chair:** Ladies and gentlemen, if it's the will of the committee to meet before everybody signs off on it or at least have an opportunity to meet as a group and take a look at it, then we can poll. We can do a polling, and wherever we can get the most representation, that's the day we'll call the meeting. If that's the will of the committee, I'm totally good with that.

4:50

**Mr. Hinman:** Just one quick comment. I think that, you know, we've gone through today, like it's been said, a broken meeting, however you want to describe it . . .

**The Chair:** I would disagree with that.

**Mr. Hinman:** The votes have gone through on the points on how it's been accepted. I don't know the cost to the taxpayers for us to come together to meet again when we basically know the outcome. There's been lots of discussion. It's in *Hansard*. I think, like you say, that if we can just comment back and forth – I just don't know that the cost of meeting again warrants what we know the outcome is going to be, I believe, but maybe I'm mistaken.

**The Chair:** Okay. Guys, if we can just wrap this up, we have a motion on the floor put forward by Mr. Taylor that

we circulate the draft through e-mail, take a look at it, comment back, and then authorize myself and the vice-chair to sign off on the final draft.

All in favour? People opposed? Okay. One opposed.

**Mr. Chase:** Can I get a clarification, please? When the information is circulated, there are going to be a number of areas that there will be agreement on. There will be unanimity in a number of areas. When the committee goes to do its final report, how will the minority opinions be reflected short of myself as vice-chair writing a somewhat dissenting report? Obviously, my dissension is based on extending market-basket measures and inflation and the other complications to the formula. I'm just wondering how we will reflect a degree of nonunanimity, for lack of a better word, within the final report.

**The Chair:** Dr. Massolin, do you have a comment?

**Dr. Massolin:** Yes. I just wanted to point out quickly that the committee report reflects the decisions and recommendations made by the committee as a whole. Any minority reports are simply appended to the committee report as an appendix.

**Mr. Chase:** Thank you.

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

That brings this meeting to a close. We do need a motion for adjournment.

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

**The Chair:** Thank you. All in favour? Thank you.

[The committee adjourned at 4:52 p.m.]





