



Legislative Assembly of Alberta

The 27th Legislature
Third Session

Standing Committee
on the
Economy

Minimum Wage Policy Review

Monday, May 10, 2010
8 a.m.

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

Standing Committee on the Economy

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Shirley Howe	Deputy Minister
Dan Kennedy	Assistant Deputy Minister, Workplace Standards
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8 a.m.**Monday, May 10, 2010**

[Mr. Bhardwaj in the chair]

The Chair: Good morning, ladies and gentlemen. At this time I would like to call the meeting to order. Welcome to this meeting of the Standing Committee on the Economy.

I would ask all members who are joining us today to please introduce themselves, starting on my right.

Mr. Chase: Good morning. Harry Chase, Calgary-Varsity, vice-chair.

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

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

Mr. Griffiths: Doug Griffiths, Battle River-Wainwright.

Dr. Taft: Kevin Taft, Edmonton-Riverview.

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

Ms LeBlanc: Stephanie LeBlanc, legal research officer with the Legislative Assembly Office.

Mr. Kennedy: Dan Kennedy, ADM with Employment and Immigration.

Ms Howe: Good morning. It's Shirley Howe, Deputy Minister of Employment and Immigration.

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

Mr. Thompson: Tim Thompson, executive director, workplace policy and legislation, Employment and Immigration.

Ms Sales: Tracey Sales, communications services with the Legislative Assembly Office.

Mr. Weadick: Greg Weadick, Lethbridge-West.

Ms Woo-Paw: Good morning. Teresa Woo-Paw, Calgary-Mackay.

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

The Chair: My name is Naresh Bhardwaj. I'm the MLA for Edmonton-Ellerslie and chair of the committee. Ladies and gentlemen, Minister Lukaszuk will be joining us a little bit later on today. Also, we have two members joining us by telephone. Go ahead, please.

Mr. Taylor: Hi. It's Dave Taylor, MLA, Calgary-Currie.

The Chair: Okay. Mr. Hinman, go ahead.

Mr. Hinman: Paul Hinman, Calgary-Glenmore.

The Chair: Thank you very much.

Ladies and gentlemen, we are going to be needing a motion to

allow members to participate by telephone. As noted, two members are joining us over the telephone today, so before we proceed further, we need to have the committee give consent for their participation. As you're all aware, section 6 of the Legislative Assembly Act provides for teleconferencing at committee meetings with agreement of all members present, so we need a motion, please.

Mr. Lund: I move.

The Chair: Okay. Ty. Seconded by Mr. Chase. A couple of things we can consider here, colleagues, and we can vote on that as well. There are two ways we can do this. One is that we can have sort of a blanket motion which will take us through the duration of this 27th Legislature, which does not restrict us from passing a motion at any stage that we will not allow teleconferencing. So we can have that motion through the duration of the entire 27th Legislature. We can have that, or we can have a motion every single time somebody wants to join us. Should we have a blanket motion? Go ahead, Mr. Chase.

Mr. Chase: I would just suggest that we do it for the duration.

The Chair: Okay. Any discussion on that? We're all good? So we have somebody to move that motion, then. Thank you very much. All in favour? Okay. Motion carried. Thank you very much. Welcome, Mr. Hinman, and Mr. Taylor.

We need a motion for approval of the agenda. The agenda has been circulated. I'm assuming that everyone has a copy of the agenda.

Mr. Griffiths: So moved.

The Chair: Okay. Thank you very much. Seconded? Teresa. All in favour? Carried. Thank you very much.

We're on item 4 of the agenda, approval of the minutes from the previous meeting. I'm assuming that everybody had the opportunity to take a look at them and read them. Any questions? Everything is good? Can we get a motion to adopt the minutes as presented? Thank you very much, Mr. Weadick. A seconder? We need a seconder for that. Okay. Thank you. All in favour? Thank you. Carried as presented.

Okay. With that, we're on to item 5, which looks at the review of minimum wage policy in Alberta. We've got presenters from the minister's office, and as I alluded to earlier, the minister will be joining us a little bit later on today. With that, I'm going to welcome the department staff and turn over the meeting to you guys for a brief presentation, please.

Ms Howe: First of all, thank you very much for inviting us here today. As you have indicated, Minister Lukaszuk will be joining the meeting later. The purpose of the departmental staff is to be able to provide a little bit more information in terms of background for the minimum wage review. I understand that members have received a document that was prepared by the department, so I'm going to ask Myles to refer to the document and to highlight the key points from that document.

Thank you.

Mr. Morris: Thanks, Deputy Minister. Again, each of you has a copy of the document that was prepared by the department. I guess that to start, I'll make a few comments about the purpose of that.

Dr. Taft: Could I just get clarification? I have several documents, so by title which one are we referring to?

Mr. Morris: The document is entitled Minimum Wage Review: Presentation to the Standing Committee on the Economy, May 5, 2010.

Dr. Taft: Perfect. Thank you.

The Chair: Thank you.

Mr. Morris: In terms of the purpose of that document what we've prepared for you is intended to give you some information and context that provides a high-level overview of the minimum wage and some of the issues that you might hear about as you conduct your work. The document serves as the basis of our presentation this morning.

In terms of background Alberta's minimum wage is established through the employment standards regulation, and indeed minimum wages are a core feature of employment standards legislation across Canada. We've provided some history in the document about the minimum wage in Alberta, beginning at page 2 of the document. I won't go into too much detail on that section, but one of the interesting things to note is that Alberta was among the first provinces to implement a minimum wage in Canada.

We cover a lot of territory in this document, but for the time that we have this morning, we're going to focus our presentation on some of the key pieces of information. First, we'll discuss some of the characteristics of minimum wage earners in Alberta. Second, we'll provide you with information about the current status of minimum wages in Canada and how Alberta compares to other Canadian jurisdictions. Third, we'll provide an overview of how other jurisdictions set their minimum wages. Fourth, we'll discuss some of the views on the effects of minimum wage increases. Finally, we'll provide you with some information regarding differential minimum wages for different classes of employees, and by that, we mean some form of two- or multitiered minimum wage. Following our presentation we'd be happy to address any questions from the committee.

Turning to the minimum wage profile, which is covered beginning at page 6 of the document we've prepared for you, our department prepares a profile of minimum wage earners once each year, and this provides insight into the incidence and characteristics of minimum wage earners. The information that we have for you this morning is based on the 2009 minimum wage profile, and the 2010 profile is currently under development. I'm told that the 2010 profile may be available very shortly, and as soon as it is available, we'd be happy to provide that to the committee.

The profile itself is based on labour force survey data collected by Statistics Canada. What the profile tells us is that in Alberta approximately 1.4 per cent of employees earn the minimum wage. That's about 20,000 employees in total. In terms of who earns the minimum wage, the profile provides the following as the most likely characteristics of minimum wage earners: 69.9 per cent are female; 33.2 per cent are 15 to 19 years old, and a further 15.6 per cent are 20 to 24 years old; 79.5 per cent are employed in a permanent job; 44.6 per cent have less than one year of job experience; 26.5 per cent are employed in the accommodation and food services industry; 19.9 per cent are employed in sales and service occupations that are not elsewhere classified; 30.8 per cent have completed some high school as their highest level of educational attainment; and finally, the overwhelming majority are non-union employees and employed in the private sector, over 90 per cent for each of these groups.

8:10

Next, beginning at page 5 of the document, we've included

information about minimum wages across Canada. Over the last five to seven years provinces and territories have adjusted their minimum wages relatively frequently in comparison to previous times, likely due to a strong economy and labour markets. There are two exceptions to this general trend. First, British Columbia has not increased its minimum wage since 2001, and there's no indication that B.C. will adjust its rate in the near future. Second, in the Northwest Territories the minimum wage has remained the same from 2003 until its recent increase on April 1 of this year.

Alberta's current minimum wage of \$8.80 per hour sits as the seventh highest among provinces and the 10th highest among provinces and territories. However, based on calculations prepared by Alberta Finance and Enterprise, Alberta's minimum wage is the fourth highest on an after-tax basis, behind Ontario, Quebec, and Saskatchewan.

Next we'll provide an overview of how minimum wages are established or adjusted, which is covered on pages 7 through 13 of your document. Looking at how governments adjust the minimum wage, whether in Canada or in other countries, what we see are variations on themes. The traditional approach and still one of the most common is where the minimum wage is simply set by the government, normally after considering a variety of factors, including the overall economic situation.

More recently, particularly in Canada, some governments have linked their minimum wages to changes in economic indicators. For example, Alberta has used the average weekly earnings index, and Quebec sets its minimum wage based on maintaining a ratio between the minimum wage and average wages. Finally, in the Yukon territory the minimum wage is linked to changes in the consumer price index for the city of Whitehorse.

While I'm not here to say that one approach is necessarily better than another, we can provide some observations on the use of an economic indicator to adjust the minimum wage. These approaches are relatively straightforward and easy for the public to understand. In the case of wage-based indicators the principle is that minimum wages will keep pace with the growth in wages as a whole. With price-based indicators the approach is that the purchasing power of the minimum wage would be maintained over time.

However, these approaches can have some challenges in their application. For example, average wages can be a lagging economic indicator and may not respond quickly to drastic changes in the economic environment. Employers may be contractually committed to pay certain wage rates and unable to make adjustments until those contracts are renewed. In addition, employers may be reluctant to reduce wages during a downturn, preferring first to implement other cost-reduction strategies. Also, average wages may not provide a full picture in that high wage growth in some sectors may mask lower or perhaps even negative wage changes in other sectors, and the calculations of average wages generally don't account for people who have lost their jobs and have no employment income.

Looking at price-based approaches, measures such as the consumer price index may not be fully reflective of the types of goods that are typically purchased by minimum wage earners.

I'll now turn briefly to the effects of minimum wage increases, which are covered in the perspectives section of the document on page 4. My apologies for jumping back and forth between pages. Generally speaking, people hold strong views about the minimum wage. This is also true when looking at the views on the employment effects of minimum wage increases. This appears to be an area where there is significant disagreement. Again, I'm not here to say who is right or wrong but simply to provide you with an overview of the different points of view.

One school of thought is that minimum wage increases can have

a negative impact on employment rates, particularly among those who are likely to be earning the minimum wage or near the minimum wage, as employers may choose to hire fewer employees at the higher rate. The other school of thought is that minimum wage increases can have a positive effect on employment, increasing employment rates in lower wage jobs, likely based on a presumption that higher minimum wages would make work more attractive to other alternatives.

The last major section of our presentation deals with differential minimum wages, and this is addressed beginning at page 13 of your document. Again, by differential minimum wages what generally is meant is that some groups of employees would be subject to a different or lower minimum wage than other employees. We anticipate that the committee will hear from some stakeholders who will provide submissions on this issue, so we wanted to provide you with a little bit of context.

The two types of differentials that are talked about most frequently are tipped employee minimum wages and new or inexperienced employee minimum wages. Two jurisdictions in Canada currently have what could be described as a tip differential for their minimum wage. In Ontario liquor servers in licensed premises receive a lower minimum wage, and in Quebec employees who normally receive tips are entitled to a lower minimum wage. In addition, a committee of the Prince Edward Island Legislature recently completed a review on differential minimum wages and recommended against different minimum wages for different groups of employees, and tip differentials was a part of that review. Proponents of this type of differential normally indicate that these employees receive a significant portion of their income through tips and, therefore, may not need to rely on the minimum wage to the same extent as other employees.

In the event that your committee decides to consider or recommend a tip differential for Alberta, there are some additional issues that may need to be taken into account. Under Alberta's Employment Standards Code tips are not considered wages or earnings, and our employment standards officers, therefore, have no authority around tips. As such, if there were to be a tip differential, it may be necessary to consider whether to provide employees with additional protections under the code in order to ensure they receive their tips intact and possibly to include tips in the calculation of other forms of earnings such as vacation pay, general holiday pay, and termination pay. Quebec, New Brunswick, and Prince Edward Island currently have some protections around tips. In addition, Quebec includes tips in the calculation of other forms of earnings.

In terms of lower minimum wages for new or inexperienced employees, Alberta did have a lower minimum wage for students under the age of 18 until 1998. When that differential was eliminated, the then minister of labour indicated that students were better trained and skilled than ever before and should be paid the same rate as other employees. Three jurisdictions in Canada currently have some form of new or inexperienced employee minimum wage.

In British Columbia the minimum wage is \$2 per hour less than the general minimum wage for employees in their first 500 hours of paid employment with any employer. One thing to note is that under the British Columbia model the onus is on the employee to maintain the records of their hours worked in order to qualify for the full minimum wage. In Nova Scotia the minimum wage is 50 cents per hour lower for inexperienced employees, and they describe that group as those who do not have three months' experience with a current or former employer to do the work for which they are now employed. Finally, in Ontario the approach more closely resembles Alberta's former student minimum wage. In Ontario students under the age of 18 who work less than a certain number of hours are

entitled to a minimum wage that's 65 cents per hour less than the general minimum wage.

8:20

Like tip differentials, there may be some issues that the committee may wish to consider if it decides to recommend this type of differential for new employees. This could include the duration of time where the lower minimum wage would apply and whether there should be some protection for employees from termination of employment for the sole reason that they've worked long enough to now become entitled to the full minimum wage.

That concludes our prepared remarks for this morning. Again, we appreciate the opportunity to attend and provide you with some information to assist you in your work, and we'd be pleased to address any questions you may have at this point.

The Chair: Thank you very much.

Committee members, do you have any questions?

Mr. Chase: I'm just wondering to what extent you looked at the cost of living factors in Alberta. I know the consumer price index is one way of looking at costs, but have you looked at the cost of living? Have you taken into account current unemployment trends? Are those other sort of day-to-day effects being looked at?

Mr. Morris: In terms of cost of living, I think the consumer price index is probably the most widely accepted measure of cost of living. As you know, in the last couple of years Alberta's approach has been based on average weekly earnings. What I can say is that the two indicators do not necessarily move together, and I think it would be safe to say that average weekly earnings moved at a higher pace than cost of living. In terms of employment and unemployment rates, that's something that the department monitors regularly. Of course, we've seen wild swings in the last couple of years, moving from a very hot economy to a much cooler economy.

Mr. Chase: Thank you. Just for the record, the weekly average earnings gets applied when it suits. Having been a former teacher for 34 years, for whatever reason the government decided not to apply that formula and fund the five-year agreement.

The Chair: Thank you.

Dr. Taft.

Dr. Taft: Thanks. I haven't had a chance to go through the paper, but it looks like a nice piece of work. I've got a handful of questions, actually, Mr. Chairman. You'll have to excuse me if they're already addressed in the paper. I want to start from the question: why do we have a minimum wage, and what is their effectiveness in the broad sense? I know we've all got ideas, and there's a long history, you know. It reduces poverty or it protects people and so on are some of the things you've discussed there. Is there research? Do minimum wages actually do that? I notice there's a list in here of some states from the southern U.S. that don't have a minimum wage. Is there good research, not just anecdotes, on what is the real effect of minimum wages?

Mr. Morris: Well, I guess, turning to the poverty aspect of your question, poverty, as we know, is a complex social issue, and one measure on its own is likely not the answer to that issue. The question regarding research . . .

Dr. Taft: Just to help you out, I guess I'm wondering, for example:

is there research comparing jurisdictions that have a minimum wage versus jurisdictions that don't, and what are the differences in those? You may not have the answer right now, but it seems like a reasonable question just like you do a trial and drug tests or something on achievement tests.

Mr. Morris: I don't have the answer at this point. We could look into that.

Dr. Taft: Would you be the person to poke around and see if somebody has done that sort of research?

Mr. Morris: I may be. I'm not sure.

The Chair: If you can do that and send it back to the clerk, please.

Dr. Taft: I'm not done, Mr. Chairman.

The Chair: You're not done yet?

Dr. Taft: No. Sorry about that. I don't want to be long-winded. It must be my nature.

A more specific question I have is if there's any evidence – again, you may not have it now – indicating any correlation between the level of minimum wage and income disparity in the broader population. For example, I'm thinking of a TD Bank paper I read a couple of years ago that indicated that Calgary has the largest percentage of high-income people in Canada and also has the largest percentage of low-income people in Canada. Calgary has a terrific disparity in its income distribution. I'm wondering if there's any evidence, research somewhere that would indicate whether minimum wages reduce income disparity or not. Do they lift the bottom and so reduce disparity, or do they have any impact at all?

Mr. Morris: I'm not aware of any evidence that suggests that type of correlation or causality. We could take a look, but I'm not aware of it.

Dr. Taft: Okay. Well, if you could take a look, that would be terrific.

Similarly, is there any research around – I'm going to launch you on a PhD dissertation here maybe; I don't know – on the impact of minimum wages on the profitability of corporations? For example, do corporate profits in companies that pay minimum wage fall the year after the minimum wage goes up or some measure like that? We're going to hear lots of anecdotes from businesses who pay minimum wages saying: it cuts into our bottom line. Maybe they're right or maybe they're not.

Mr. Morris: I'm not aware of that. I am aware of, as you mention, the anecdotal reports.

Dr. Taft: Okay. Well if there was some sound evidence somewhere on that, that would be great. The profile on page 7 is quite interesting. It lists a lot of characteristics.

One other I'm wondering if you could at all find would be the size of the employer who pays minimum wage. Do they tend to be small businesses overwhelmingly with, say, fewer than 10 or 50 employees, or is it the McDonald's of the world? What's the size of the employer?

Mr. Morris: I don't believe that that information is captured by the labour force survey. I think the closest you could get is to look at

the types of industries where minimum wage earners are most likely to be found and the characteristics, that is the size of employer, within those industries. Do they tend to be smaller or larger employers in those industries? For example, in accommodation and food services you might have a mix of the restaurant that's not part of a chain down the street or large, chain restaurants.

Dr. Taft: Right. Again, if you could poke around and see if there's any indication of what that mix is, I personally might feel differently if the majority of minimum wage payers are big corporations with their bases in, you know, New York or somewhere – if they're the McDonald's and the big chains – versus the little mom-and-pop stores. That might weigh into my consideration.

My last comment, Mr. Chairman – thank you for indulging me – is on any perspective you might be able to provide, say, in a future piece of work on the minimum wage discussion as it relates to the broader discussion around guaranteed annual incomes, which come and go as a real topic. There was a time when guaranteed annual income was widely discussed, and I'm wondering if the minimum wage policy is seen as a component of that potentially or if they're completely separate topics.

Mr. Morris: I don't think I'm necessarily qualified to comment on that particular point.

Dr. Taft: Sure. I wasn't expecting you to have all this in your head or something, but these are some of the broader issues that I'll be considering as I try to come to a decision on this.

Thanks.

The Chair: Thank you very much, Dr. Taft.
Teresa.

Ms Woo-Paw: Thank you, Mr. Chair. If you could, I guess, explain how after-tax minimum wage is calculated.

Mr. Morris: Sure. I can tell you what our colleagues at Alberta Finance and Enterprise tell us, which is that they consider the income tax rates in the provinces, health care insurance premiums where they exist, and those types of things. The specific methodology I'm not an expert on.

Ms Woo-Paw: Thank you.

8:30

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

Mr. Chase: Yes. A year ago the StatsCan figure indicated that there are over 78,000 Alberta children living below the poverty line. I look at the fact that in terms of females almost 70 per cent of minimum wage earners are females, and a large number of those females, I would suggest, are probably mothers trying to make it. A statistics that isn't here: the number of employees who are recent immigrants. Another statistic that is missing that would be great if you could find it out is the number that are First Nations. Whether it's in education or whether it's in employment, First Nations and immigrant children frequently show up as having the lowest results and support.

Mr. Morris: We can take a look to see if those are captured by the labour force survey. Because of our reliance on Statistics Canada data for preparing the profile, there are some limitations around what

the source data captures and does not capture, so I'm not sure if that level of detail is there, but we can look.

Mr. Chase: Another consideration. I keep talking about recession and CPI. One of the justifications for low wages is that a number of people employed are in the service industry, tips counting. I'm just wondering to what extent, if any, there has been a study as to how tips go down during a recession period, you know, how that as a factor, particularly at this time globally, is less of a wage increaser or supporter. There are so many small towns in Alberta where I'm sure the tips are considerably down from what they've been just based on people's working experience. To sort of make a broad generalization that tips make up the difference for a low minimum wage: I think the recession has to be taken into account in terms of trying to find a fair formula that will apply whether we're in a recession period or whether we're in a boom period.

Mr. Morris: Yeah. We can see if there's any information on that issue.

Mr. Chase: Thank you.

The Chair: Thank you very much.

Mr. Marz: In my riding and, I've noticed, in a number of other locations, especially in rural Alberta, a lot of businesses in the service sector do a fantastic job of hiring people with limited abilities or restricted abilities. They like to focus on the person's abilities rather than their disabilities. In certain situations, but not all, that slows down the process, and the clientele seems to be very patient with that sort of thing. Have there been any studies done where the wages that an employer would be forced to pay for those types of people would restrict employment of those people? A lot of AISH recipients, as you know, can earn up to \$500 a month without it affecting their AISH payments. I wouldn't want to see something that's going to hinder the good work that some of those businesses are doing. Is there any information you could get on that?

Mr. Morris: I guess the comment I'd make is that there is now, compared to, say, 20 to 30 years ago, a wider range of supports available to help individuals with disabilities fully participate in society, and there are programs available to both the employers and those individuals to assist in that process. I'm not aware of anything that would suggest that the minimum wage as it currently stands would be a barrier to that process.

Mr. Marz: Yeah.

The Chair: Thank you very much.

Mr. Taylor, go ahead, please.

Mr. Taylor: Thank you very much. One other piece of information that I think might be helpful going forward – and again I refer to the minimum wage profiles on page 7. You note that 26.5 per cent of minimum wage earners last year were employed in the accommodation and food services industry, and 19.9 per cent were employed in sales and service occupations not elsewhere classified. I see from the footnote down here that that includes occupations primarily concerned with providing services in other sales and service occupational groups, nonstore retail sales, services related to sales, and that sort of thing: hair stylists, cleaners, butchers. That still leaves about 54 per cent of minimum wage earners who haven't

been classified here in terms of employment. While I suspect that they're probably scattered across a wide range of endeavours, if there is any way that you could get a handle on what those folks are doing for jobs that are paying them minimum wage, it might be a useful piece of information.

Thanks.

Mr. Morris: Yeah. Certainly, we can provide some additional information on that. In the footnote we've included the link to the full profile where it's located on the Employment and Immigration website.

Just quickly, yes, there are a number of occupations – and they are fairly scattered – where we tend to see minimum wage earners. The others that I'll list off here are retail salespersons, sales clerks, and cashiers, which account for 15.2 per cent; chefs, cooks, and occupations in food and beverage service, 14.1 per cent; clerical occupations, 11.5 per cent; financial, secretarial, and administrative, 8.6 per cent; and then there's a catch-all for everything else, and that is 30.6 per cent.

Mr. Taylor: Okay. Thank you.

The Chair: Thank you very much.

Mr. Hinman: Mr. Chair?

The Chair: Mr. Hinman, is that you?

Mr. Hinman: Yes. If I could ask a few questions.

The Chair: Go ahead, please.

Mr. Hinman: I'm concerned, when we're looking across the province, I guess, with the huge difference in different jurisdictions like Fort McMurray versus Didsbury, Calgary, or Milk River, and I'm wondering if there's any research done that shows that, you know, a blanket minimum wage for an area as big as the province doesn't really serve the economy well in the fact that there's such a difference in the cost of living. We always go back and talk about the cost of living, yet it's very different when you compare the different cities and towns across the province.

Also, if I could just ask a few other questions and then let you answer, I'm wondering if it wouldn't do more good for the government to look at the real way of helping these things by raising the basic tax exemption – you mention there how, when you look at after-tax dollars, we're fourth – and if, in fact, we wouldn't help the people with low income more by allowing an increase in the basic tax exemption; also, for those that are on assisted living income, whether it's because of mental, physical, or sickness, to allow them to have an increased income allowance before they're clawed back. I'm just wondering if there's any information on that. Like I said, more specifically, though, the geographical differences in setting one wage to supposedly fit all areas.

Mr. Morris: The first question, regarding the regional disparity. I think the most we could say is: yes, obviously there are differences depending on which community you're in in terms of the cost of living. In terms of the specific effects on a region-by-region basis we don't have that level of detail in the data that we have.

The other two questions, in terms of basic tax exemption and additional assisted living income. Those are outside my area of expertise and are the responsibility of other departments. I guess that's about all that I can say. I'm not really qualified to speak on those points.

The Chair: Anything else, Mr. Hinman?

Mr. Hinman: I guess just the overall question, again, that I really struggle with, is when we try and put in one size fits all for the whole province. I go back to the question that Dr. Taft asked on what is the percentage that – you know, small business really is the economic backbone of the province in many areas. To look at the difference is important to me: where that minimum wage is coming in and what geographical areas they're coming from, which communities, and to be able to link them more to the actual cost of living in those communities rather than province-wide.

I'll leave it with that.

8:40

The Chair: Thank you very much, Mr. Hinman.
Dr. Taft, go ahead, please.

Dr. Taft: I just wanted to follow up on the comments from Richard Marz for the record. I think he made an important point, and that's the role of minimum wage for AISH recipients or various other people struggling with disabilities. I do note that we have two or three disability organizations on the consultation list. I'm not sure if this goes to the clerk or to the department, but any information we could have on those issues would be helpful.

Mr. Morris: I think one of the things we can mention is that in the Employment Standards Code there is a provision for exemptions from the minimum wage for individuals who have a disability. That provision has not been used since 2006, I believe, or thereabouts. There have really not been any issues since the department stopped issuing those types of permits.

Dr. Taft: Okay. Thank you.

The Chair: Thank you very much.
Teresa.

Ms Woo-Paw: Thank you, Mr. Chair. My question is around differential minimum wages, along a similar line of questioning as the Member for Calgary-Glenmore. I remember reading something that talks about how someone who is working a minimum wage job would fare in a centre with under 300,000 population versus in a city with higher than 300,000 population, that kind of population differential. Given the fast pace of growth and change in our province, is that something that warrants greater study? Also, is it something that this committee should look into?

Mr. Morris: We can certainly take a look to see in terms of population differences. I assume the question related to how the person would fare in terms of the tips that they would receive.

Ms Woo-Paw: No, no.

Mr. Morris: Just in general?

Ms Woo-Paw: Actually, maybe it's not from your study. Maybe it's from another document. Maybe he can tell me.

Dr. Massolin: Yes. Maybe I can help out, Mr. Chair.

The Chair: Go ahead.

Dr. Massolin: I think that Ms Woo-Paw is referring to the LICO, the

low-income cut-off. You can see the information that we provided in our document entitled Minimum Wage Data on page 6. I'm just referring you to this page so that you can see the graphical information there.

Basically, using statistical information provided through Stats Canada, you have the low-income cut-off, something that's otherwise referred to as the poverty line, based on the type of community that one lives in, from rural areas to communities with fewer than 30,000 people, communities from 30,000 to about 100,000, and so forth, as you can see in that chart, and family size. You can see the amount of money that these individuals or families would have to make to reach that low-income cut-off.

Just by way of further explanation the low-income cut-off basically means that 70 per cent of the individual's or the family's income before tax is dedicated to food, shelter, and clothing.

Ms Woo-Paw: So it's 30,000, not 300,000.

Dr. Massolin: Oh, 30,000. Did I say 300,000? Pardon me.

Ms Woo-Paw: No. I said 300,000. So it's 30,000.

Dr. Massolin: Yes. Fewer than 30,000.

Ms Woo-Paw: Okay. I got the studies mixed up.

The Chair: Thank you very much.
Mr. Weadick.

Mr. Weadick: Thank you. Just looking at the statistics – and it would be nice to get probably some stuff that's a little more specific – it appears that 70 per cent of the people getting minimum wage don't have any high school at all. Your last statistics say: completed some high school as the highest level, 30 per cent. It would then appear that 70 per cent of the people getting minimum wage have absolutely no high school education.

Mr. Morris: Okay. I understand. The full breakdown in terms of educational attainment is that 6.4 per cent had completed zero to eight years of education, so elementary school; 30.8 per cent had completed some high school – that is, started high school but not finished – 25.4 per cent are high school graduates; some postsecondary accounts for 7.3 per cent; a postsecondary certificate or diploma accounts for 18.7 per cent; and 11.4 per cent is for those with a university degree.

Mr. Weadick: Thank you. As a start that's helpful. I'm thinking that it was really looking not so good if 70 per cent of them hadn't even been to high school yet, so that's great.

Having been in business for over 30 years and hired many, many people and hired very, very few at minimum wage, my experience is that most jobs in Alberta are competitive. They're competitive with other industries. They're competitive across the industry. You have to pay enough to get people to come to work for you for most jobs in my experience. Maybe I'm wrong. It appears that in Alberta only 1.4 per cent of the population are working at the minimum wage rate.

From my experience minimum wage jobs are typically jobs where you've created an opportunity for someone young to train so that they can get into the workforce maybe at 15 or 16 years of age and get some experience, learn how to do some things, come in and do stock after school a couple of hours a day. Those kinds of jobs are a lot of what happens, with a lot of it geared towards younger

people, accommodation sometimes for people with disabilities to come in and put in two or three hours a day. These are critically important. I think Mr. Marz brought them up as well. I would hate to see us do anything that restricts those kinds of opportunities.

Understanding that 98.6 per cent of the jobs in Alberta aren't minimum wage, that they're competitive – we go out and get them competitively; you compete across all kinds of experience and educational things to get those jobs – I would hate to see us drive this thing to the point where employers don't have that flexibility to have a youngster come in from grade 11 after school for a couple of hours and start to get some experience or to work weekends in a fast-food restaurant. I know that growing up, when I had jobs of this type, it was pumping gas, sweeping floors, or as a stock boy in Zellers or those kinds of things, so starting jobs.

In most of the industries this is where people get an opportunity to get in, get their feet wet, get a little bit of training, and the big word here, I think, probably is experience. When you go to apply for your second job, they don't often ask you whether you got paid minimum wage. They ask you: what was the experience you got at your last job? People are now telling you: go and volunteer to get experience.

I think minimum wage is one of those places where young Albertans, even young Albertans with diplomas and degrees, get a chance to get a little bit of experience, maybe even in the not-for-profits because I'm assuming that quite a bit of this would also occur in the not-for-profit sector, where they're already up against the wall and relying on fundraising and other things to help fund what they're doing.

I'm just listing some of the concerns I would have. Maybe some of the information you get for us could be around how much not-for-profits would rely on minimum wage. I know that in the downturn that we've had, they've been hit very, very hard, and they're coming into our offices all the time looking for opportunities where there may be grants or anything that will support the not-for-profit sector as businesses are struggling to make ends meet and don't have the donation capacity. I think it's critically important that we make sure we know where they fit within this as well.

Thank you.

The Chair: Thank you very much.

8:50

Mr. Chase: A cynic might look at minimum wage as a negative incentive. If you keep it low enough, you'll force people to upgrade to improve their skills. But Alberta's reality is that in terms of the highest dropout rate 52 per cent of First Nations students fail to complete high school in three years. Likewise, 75 per cent of English as a second language or immigrant students fail to complete high school in three years. Add to that that we have in Alberta the lowest postsecondary enrolment, at 14 per cent, and among the highest tuition rates in Canada. Also, look at the fact that Alberta Works funding has ended. What we are creating is a situation where, if we look at the statistics, 50 per cent of the people earning the minimum wage are in the category of 15 to 24 years old. In other words, those are the people that are potentially trying to save up for a postsecondary or some form of upgrading of their skills. I also notice that non-union employees account for 92 per cent, and of course we all know that Alberta has the lowest unionized participation rate.

I'm hoping that having one of the lowest minimum wages in Canada is not a way of forcing people through poverty to try and pull themselves up by their bootstraps, as one of the expressions goes. I have concern that by having such a low minimum wage,

we're not allowing people to progress. We're making it almost impossible for them. Representing the University of Calgary, a number of students have to take fewer courses so that they can work three jobs, and a number of those jobs, just by the nature of the university schedule dictating what time they have available, would be service-type jobs. As we're reflecting on what is a fair minimum wage, I've frequently said that education equals economy, but if we don't give people a chance to move up the ladder, so to speak, it's not doing our economy nor our most important resource, our Albertan human resource, a chance to progress.

The Chair: Okay. Thank you very much, Mr. Chase.
Mr. Griffiths.

Mr. Griffiths: Thank you. Sometimes I think we spend 90 per cent of our job as legislators correcting things that we never accounted for in the first place. This goes back to Richard's point, again, when he asked about the consequences to people who are on AISH. I doubt we have any of the information, but how difficult would it be to assemble changing minimum wage or the formula to calculate minimum wage, raising it or lowering it? What other programs that the province runs would it have an impact on? I mean, honestly, if we're going to make a decision – and not that it should impact our decision – is it going to cost a \$1 increase? Is it going to cost the government \$3 million or \$30 million or \$300 million? It's not the dollar value, but we need to have the information. It's just being informed. Then the consequences it may have on people who are on those government programs: it may cost us more.

I mean, it's a very serious question about the impact it would have on people who are on AISH. If we make a decision that the minimum wage should be raised, then we should also at a similar time or shortly thereafter be discussing whether or not we should raise the amount that people who are on AISH are able to collect. Otherwise, we may just be putting it into one hand and taking it from another. The consequential decisions of whatever we decide to do with AISH: could we get the list of what government programs and the people that would be on there that might be impacted, how much it would cost us? I think it's important for the decision that we're going to make.

Mr. Morris: Yeah, we can pull something like that together. I think you're getting at kind of the cumulative effects of all of these different government programs and how changing one affects another.

Mr. Griffiths: Yeah. That would be great. Thank you.

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

Mr. Marz: Myles, just to expand a bit on a statement I believe I heard you say, that 11 per cent of postsecondary graduates are at minimum wage, was that correct?

Mr. Morris: That's what the survey data shows.

Mr. Marz: Yeah. Okay. That seems kind of high to me. I'm wondering: what are the other circumstances surrounding that? Are these graduates from a Canadian postsecondary institution or an Alberta postsecondary institution or some non English-speaking postsecondary institution? Are they new immigrants that can't speak English very well yet? Are there those types of factors? Also, a person may have a job in a certain profession, want to make some

extra income, and after hours there's a service station around the block where they can work a couple of more hours a day and make some extra money. I mean, I know people that do that. Is that included in that 11 per cent? It's important to know that. Otherwise, I would just assume that 11 per cent of our graduates graduating from postsecondary institutions in Alberta or in Canada are at minimum wage, and I find that kind of difficult to grasp in that light. Maybe we have to question our postsecondary programs if that's the case.

Mr. Morris: Working backwards, in the example you provided of somebody having a day job – and we'll assume it's something that pays higher than the minimum wage – and who then might pick up some extra work after hours, they wouldn't be captured in the number of minimum wage earners based on their total income.

Just to put that 11.4 per cent number into a bit of context, first you look at: 1.4 per cent of all the employees in Alberta are minimum wage earners. Then of that 1.4 per cent, or 20,000 in total, 11.4 per cent have a postsecondary degree, so the number is quite small. It's not that 11.4 per cent of university graduates are minimum wage earners. It's that of the minimum wage earners 11.4 per cent have a university degree. It could be – and I don't want to speculate too much – that you could have a situation where an individual has completed an undergrad degree, and they're now pursuing a master's degree and, to help put themselves through their master's program, are working as a waiter or a waitress or something like that.

Mr. Marz: It could be someone that's taken early retirement, is retired, whatever, that's now working in a second job.

Mr. Morris: Exactly. That would also be possible, yeah.

The Chair: Thank you, Mr. Marz.

Mr. Lund, go ahead, please.

Mr. Lund: Thank you. So that I clearly understand this, in order to get counted in the statistics, does that mean that that's your only source of income, your only job? Is it just a snapshot in time? When you say that somebody is just taking it on as an after-work kind of project, that they wouldn't be counted, I'm really curious as to exactly how you distinguish between ones that would be counted and ones that wouldn't be counted.

Mr. Morris: We can certainly follow up on the methodology that's used for the labour force survey. I believe that it focuses on the person's main job. We'll have to look at how the questions are asked on the survey. It may be the case that – and I don't know that this is the case – respondents are asked during the reference period, "How much did you earn in regular earnings?" and then during that same period, "How many hours did you work to earn that amount?" Then it's simply calculated. That could be how it's arrived at.

Mr. Lund: Yeah. Thank you. That would be very helpful.

The Chair: Thank you, Mr. Lund.

Ms Woo-Paw, please go ahead.

Ms Woo-Paw: Thank you. I just want to clarify one thing first. In regard to the percentage of people on minimum wage with some postsecondary to degree status, did you say about 7 per cent with some postsecondary, 18 per cent with postsecondary training, 11.4 per cent with university? Is that what you said?

9:00

Mr. Morris: That's correct. Those are the rough numbers: 7.3 per cent for some postsecondary, 18.7 per cent for a postsecondary certificate or diploma, and then a university degree, 11.4 per cent.

Ms Woo-Paw: When I add those three figures up, it's about 37 per cent, so close to 40 per cent of this particular population have more than high school, up to university training. Right?

Mr. Morris: Yes.

Ms Woo-Paw: Yeah. I think I'll just stop there.

The Chair: Thank you very much.

Mr. Weadick.

Mr. Weadick: Thank you. I know statistics can be a little bit misleading as well, especially in the food industry. I know people that have a degree and continue to stay in it as a career simply because the money that they make is extremely good. The industry can create some very great opportunities for people. I know people in their 30s, 40s that have degrees and have stayed in the food industry because it simply pays a significant amount, especially through the tips. I'm trying to get my head around that because it tends to skew the results.

Typically someone working in the food industry calculates about 10 per cent of their ring out as tips, and in any medium restaurant or even an upper-end restaurant a \$1,000 to \$2,000 ring out is not uncommon, which means \$100 to \$200 per shift in tips. In fact, you even have to claim certain percentages of that on your tax form. To say that these are low wage earners relying on minimum wage is clearly not very accurate. I'm wondering if we have any statistics around how many of these people would fall into those categories.

I met a fellow just this week who is a dentist in Lethbridge now. He paid his entire way through dental school by being a waiter at a local restaurant and told me how he was able to do it. For the number of hours he had to work and the amount of return he could get, it was extremely good. It's great for students that can do that, if you can ring off \$100 or \$150 in a four-hour shift versus working somewhere for \$10 or \$12 an hour. They're not interested in a \$12-an-hour job or a \$15-an-hour job simply because the return for them is so much more advantageous. The minimum wage becomes such a small part of what they earn. I'm wondering if we have any idea on what those numbers might look like because one of the areas that will be impacted by this, of course, is the food industry. I'd be interested in that.

Thank you.

Mr. Morris: Yeah. We can take a look at that.

The Chair: Thank you very much.

Mr. Chase, go ahead, please.

Mr. Chase: Thank you. In terms of the statistics you can sort of set aside 50 per cent of minimum wage earners as being under 24. I'm just wondering if you have any statistics for how many are seniors and, you know, if you can break it down one step further to seniors where their pension is their primary source of income. I mean, there are a lot of seniors who are out there for a variety of reasons: to keep contact, to keep themselves mentally sharp. They don't necessarily have to work, but they may be working just as motivation, just to keep it together, that kind of thing. But there isn't a seniors' component, and if it's possible to find one, it would be appreciated.

Mr. Morris: What I can say is that the age categories that are used for the labour force survey generally fall along five-year increments, so the last category is 55-plus. I don't necessarily want to say that that qualifies you as a senior citizen, but the percentage of minimum wage earners who are in that category is 9.3 per cent. We don't have the data in terms of whether there is also pension income as part of that.

The Chair: Thank you very much.

That's the end of my speakers list. Are there any other questions?

Dr. Taft: Just for clarification, Mr. Chairman, a whole lot of really good questions have come up directed to the department. What's the process now?

The Chair: We're asking them to respond through the committee clerk for the benefit of everyone here.

Dr. Taft: Okay. Terrific. Thank you.

The Chair: Thank you very much, Dr. Taft.

With that, thank you very much, presenters.

We've just got a question for the committee members here. Do we need to have the department staff back from time to time or to attend our meetings regularly so that they can facilitate or answer some of the technical questions?

Mr. Lund: Well, Mr. Chairman, I think it would be very, very helpful and useful to the committee to have at least one if not more representatives of the department here as a resource to our committee. There are going to be questions that come up all along that they may not be able to answer right off, but at least we would be able to get the information. I think what we witnessed this morning is extremely important, with all of the good questions and comments, so I would really want to have at least one individual if not more.

The Chair: Is there any discussion on that? Go ahead, Mr. Marz.

Mr. Marz: I would agree with Mr. Lund that I think it would expedite the work of the committee if we had them at the meeting so that we could ask questions. Rather than sit here and then try to, you know, get them back to a subsequent meeting, I'd think it would be far more beneficial to have them here, at least one or two.

The Chair: Thank you very much.

In my discussions with the minister he's quite willing to have the department officials here. If we can get, then, somebody to move that

the Standing Committee on the Economy invite officials from Alberta Employment and Immigration to attend subsequent meetings and participate, when requested, to provide technical expertise during the review of Alberta's minimum wage policy and request that department officials work in conjunction with the Legislative Assembly staff, if required, to support the committee during the review.

Mr. Marz: So moved.

The Chair: Moved by Mr. Marz. All in favour? Thank you very much. The motion is carried.

Thank you very much, presenters. The minister is not here yet, but I want to say thank you very much for being here. When the minister comes, we'll have him present as well. Thank you.

That, colleagues, brings us to item 5(b) on our agenda, which is about committee research support, the cross-jurisdictional comparison. At the last meeting staff were directed to prepare a cross-jurisdictional comparison of minimum wage levels and policies. At this time I'm going to ask Ms LeBlanc to review that, please.

Ms LeBlanc: Thank you, Mr. Chair. The department discussed a fair bit of this, so I'll just be brief. The research section was directed to prepare a cross-jurisdictional comparison, and we focused on three main aspects of the minimum wage issue. The minimum wages themselves appear in a graph on the final page of the cross-jurisdictional comparison, and they also appear in a chart in section 5 of the report. You'll see that the lowest minimum wage rate is \$8 per hour in British Columbia, and the highest rate is \$10.25 per hour in Ontario.

Section 4 of the report looks briefly at differential minimum wage rates, which the department already discussed. There are differential hourly rates for inexperienced employees, students, employees who serve liquor, employees who receive tips and gratuities, and employees who work from home. Differential rates are used in British Columbia, Ontario, Quebec, and Nova Scotia.

Finally, the cross-jurisdictional comparison looks at how minimum wage rates are set, and that's found in section 3 of the cross-jurisdictional comparison. In approximately half of the Canadian jurisdictions a board either sets the rate or they make recommendations to the minister regarding the rate. In the other half of the jurisdictions the legislation is silent on whether a board can or may make recommendations, and the rate is just set in the legislation by the minister or in the regulations.

Subject to any questions, that's just a brief overview of the document. Thanks.

The Chair: Okay. Any questions?

Dr. Taft: Just one on the graph on the last page, the minimum wage rates graph. What date is that effective?

Ms LeBlanc: It should be effective May 1 of this year, when a change was made to the Quebec rate.

Dr. Taft: Thank you.

The Chair: Good. Thank you very much.

That brings us to our next item, 5(b)(ii), other research required. Is there any additional research which committee members may require at this time? Dr. Massolin.

9:10

Dr. Massolin: Yes. Thank you, Mr. Chair. Just before I begin on this, I just wanted to point out, as mentioned earlier, that the research section also prepared a document called Minimum Wage Data, and that document, as mentioned, has information on the LICOs, the low-income cut-off rates, and how the Alberta minimum wage rate applies or would apply compared to the low-income cut-off.

It also contains certain other information on Alberta's minimum wage compared to other jurisdictions, and it also gives just some overview information on minimum wage and unemployment, the effect that the minimum wage has on unemployment rates. I don't know if there are any questions on that document. If not, I can ask a further question.

Mr. Chase: In reading over the materials, it seems that there are certain employments that are outside of the minimum wage. I looked at the agriculture kind of thing, whether it's stock or whether

it's produce, and it seems that if you're working on a farm or working on a ranch as a hired hand, you don't have to be paid minimum wage. I'm just wondering if we have any kind of a sense or if it's possible to get a sense of what people, say, working on a feedlot or working on a ranch might get.

I don't know whether it's applicable to this circumstance, but I know, for example, when I was working in the provincial park for a private employer, our wages were of an hourly basis, but they were below minimum, and we put in an awful lot of hours for very little. I also realize that there are incentives. If you've got a place to stay and if you're getting fed, that may be part of the compensation package. I don't know to what extent that information is available. We're always concerned about labour standards as well as wages, and I think the two go hand in hand.

The Chair: Mr. Marz on this point.

Mr. Marz: Just on that point. I know, because I live in a rural area, that basically it's all over the map. Some places provide a home as an incentive, some provide room and board, and some don't supply anything. It's all over the map, to my knowledge, so it's quite difficult to determine. They don't necessarily always pay minimum wage on a farm either. In all my years I don't think I've ever paid minimum wage to get somebody to come out. I've had to compete with what's out there, you know.

The Chair: Thank you very much.
Dr. Massolin, go ahead.

Dr. Massolin: Yes. Thank you, Mr. Chair. We certainly can research some of the information that is requested here by the deputy chair. I don't know if there are any further questions.

The Chair: Ms Woo-Paw, go ahead, please. You've got a question for Dr. Massolin?

Ms Woo-Paw: Yes. Thank you. I'm interested in whether there's a proven impact or potential impact of the minimum wage rate and the unemployment rate. According to your study on page 8 you state that the unemployment rate experienced an overall decrease between 2001 and 2008 in both Alberta and British Columbia. If I remember correctly, during that period Alberta's minimum wage increased while the British Columbia rate remained the same. They did not increase their minimum wage for many years – right? – but both provinces' unemployment rate decreased. So one province increased and the other one did not, and both unemployment rates decreased. I understand that British Columbia decided to hold their minimum wage rate steady and decided to choose to introduce other programs to address some of the issues, right? Do you know what those programs are that have helped to reduce the unemployment rate while holding their minimum wage steady?

Dr. Massolin: I just wanted to start by saying that Ms Woo-Paw's observations are absolutely correct, that the statistics you're citing actually, on the face of it at least, contradict the findings of a lot of the studies, some of which we've actually cited in this document in a very preliminary way. The studies by the Fraser Institute, for instance, indicate that there is a negative correlation between increases in minimum wage and employment rates; i.e., if you increase the minimum wage, employment decreases.

More specifically, there's another expert whom we've put on the stakeholder list who makes the correlation in a slightly different way, saying that there's a lagging effect on employment when

minimum wage rates increase. However, as you've correctly noted from the statistics we've provided, that hasn't happened in Alberta or B.C., suggesting – and I'm not saying that this is definitive – that there are other factors perhaps involved, including a very vibrant economy in both Alberta and B.C.

To answer your question specifically, through the chair, no, we haven't looked into exactly what British Columbia has done in terms of the specific programs, but we're certainly willing to do that, Mr. Chair.

The Chair: Okay. Are there any other questions? Go ahead, Mr. Griffiths.

Mr. Griffiths: I think you have the data. It's not research that needs to be done. I'm kind of simple minded; pictures work well for me. The chart on the back here, the graph for minimum wage rates, shows Alberta in relation to all of the other provinces.

I'd like to see four on one page: one that shows those raw minimum wages, one that shows the real, after-tax wage. We don't have payroll taxes or provincial sales tax, so it puts us up on the level. But then there's got to be some data that we have where we could show the cost of living because that would bring Alberta down. It seems to be more expensive to live here – or it was – because of our hot economy. And then something that incorporates all three of those together to come up with some real information on exactly how much money people have when it comes to minimum wage compared to other jurisdictions. They may have less because they pay more taxes in another jurisdiction, but if it's cheaper to live there, it may even things out again. So four comparisons that show how each one sits out and then factoring them together could give us a better idea about where Alberta fits into the spectrum of all the other provinces, which would be really helpful to me.

Dr. Massolin: Certainly, Mr. Chair. I think the member is referring to something called real wages. I think all the committee members understand what that is. We certainly can do something that is suggestive. Thanks.

Mr. Chase: Possibly if you add too many lines to your chart, it'll become unreadable, but if you could also factor in per capita unemployment, that would be a concern as well.

Dr. Massolin: Okay.

The Chair: Okay. Thank you very much.

If there are no other questions, I'm going to ask for a motion. Dr. Taft.

Dr. Taft: Sorry. Again, excellent comments from around the committee. It wasn't clear to me. I thought Ms Woo-Paw raised an excellent point here. Maybe there are other ways to address these issues than minimum wage, and maybe B.C. or other governments are doing it. Was there an agreement that . . .

Dr. Massolin: Yes. Definitely.

The Chair: That's the motion.

Dr. Taft: Okay. I haven't had a chance to go through all the material that's been handed out today, but I would hope that if other questions come up, we can just direct them through the clerk to our researchers. We're not going to cut off the research after today, are we?

The Chair: That's my motion right now. I'm just making a motion. You're just running ahead of me.

Okay. All right. No problem. With that, then, Dr. Taft, I'm going to ask that the Standing Committee on the Economy direct the research support staff to prepare what is being requested by the members here. Do you want to word that motion, Dr. Massolin? You've been asked to do some research.

Dr. Massolin: Yes. Definitely.

The Chair: Do you want to be specific as to that research?

Dr. Massolin: I think we've got direction here around the table.

The Chair: You've got the direction?

Dr. Massolin: Yeah. I think it's pretty clear. Thank you.

The Chair: Okay. We need somebody to make that motion. Go ahead.

Ms Woo-Paw: Can we still add to that list of the items that we have just discussed today? Can we still add items to it?

The Chair: Yeah. Go ahead.

Ms Woo-Paw: Now or later? I can add one now.

The Chair: Do it now.

Ms Woo-Paw: I'm interested in the differential rate issue. Given that Calgary has gotten so expensive for so many people to live in, I'm interested in the regional differential issue.

9:20

Dr. Massolin: Yes. Okay. In what sense? In terms of the cost of living and the differential in different cities?

Ms Woo-Paw: Yeah.

Dr. Massolin: Okay. I will make an effort there and perhaps consult with the ministry because I think that was the same question asked of the ministry. So, yes, we'll try to co-ordinate those efforts.

Mr. Hinman: Mr. Chair?

The Chair: Yes. Go ahead.

Mr. Hinman: When we're talking about differential rates in different communities, I guess I'd also like to look at the tax rate on those different businesses. What's the tax rate on a business in Calgary versus one in the county of Warner versus Fort McMurray or Grande Prairie? You have to look at that also. In areas where businesses are already getting hit hard with taxes and then to get hit with a new, higher basic minimum wage, I think we need to look at also the business side of it, not just the cost of living for the individuals.

The Chair: Thank you very much, Mr. Hinman.
Go ahead, Dr. Massolin.

Dr. Massolin: Thank you, Mr. Chair. I think that what's being suggested is possible, but might I ask just to narrow down the scope

of it? If we did the tax rate for every municipality, it would be a very difficult endeavour, indeed, to get this research done in time, so I'm wondering if we could narrow the scope of this research request.

Mr. Hinman: I'd let you use your discretion on that to maybe show the variances of the different areas, the extreme high tax for businesses versus – like I say, I know the county of Warner has almost a minimal tax on businesses that open up and are there.

Dr. Massolin: Okay. Thank you.

The Chair: Okay. Thank you very much.
Go ahead, please, Mr. Marz.

Mr. Marz: On that point I think we have to be careful of getting into the difference in municipal taxes. Otherwise, we're going to end up like we are on a Canada-wide basis, with transfer payments and be rewarding jurisdictions for having high tax rates. I think we've got to be a little careful getting into that sort of thing.

The Chair: Thank you, Mr. Marz.

With that, I'm going to go back to that motion again that the Standing Committee on the Economy direct the research support staff to prepare research as being requested by the members.

Mr. Lund: I'll move that.

The Chair: Okay. Thank you, Mr. Lund. Thank you very much.
With that, the Hon. Thomas Lukaszuk, our minister, is here. If it's okay with the committee members, we can invite him to make his remarks. Everybody okay with that? Okay. Thank you very much.

Hon. Thomas Lukaszuk, go ahead, please.

Mr. Lukaszuk: Well, thank you. Good morning, everyone. First of all, I would really like to thank you for engaging in this debate. Just sitting here for a few minutes and listening, I see it's a good debate, and it's a well past due debate. We haven't had a debate on minimum wage in this province for years, and I'm glad to see that it's being done in this format. If you don't mind, I will read off some prepared statements that I made right off the bat, and then I'll open myself to some questions from you if you wish to do so, Mr. Chairman.

The Chair: Thank you very much.

Mr. Lukaszuk: Thank you. Mr. Chairman, I'm confident that your committee will consider the issue from all perspectives and arrive at a recommendation that is fair for both employers and employees in our province. My hope is that the committee will return with recommendations that will be good for Alberta in good times and in bad times.

I'd like to start by explaining why I made the decision to freeze the minimum wage for 2010. As you know, before my decision, Alberta, like the rest of Canada and perhaps the rest of the world, was shedding jobs. In 2009 Alberta lost 25,000 jobs. We are starting to see the signs of gradual economic recovery, but in March of this year the unemployment rate was 7.5 per cent, about twice what it was in 2008. My department works closely with employers who went from labour shortages to having to lay off employees within a few short months. My department also works closely with Albertans who need help finding employment, those who find themselves without employment for periods of time, and those who require financial assistance.

I made a decision to freeze the minimum wage to ensure that as many Albertans as possible kept their jobs and to ensure small businesses could remain viable and competitive through economic recovery. As you know, for the previous two years Alberta, like Quebec, tied minimum wage to average growth in wages of other workers. The challenge with this approach is that wages may be a lagging economic indicator as they don't respond quickly to drastic changes in economic circumstances. This was the position we were in during late 2009 and early 2010. In 2009 the minimum wage was increased 5 per cent because of Alberta's booming economy through most, not all but most, of 2008, but economic downturn was already beginning to hit many businesses. In some cases this downturn led employers to lay off staff rather than reduce wages. This may have distorted the measure and reduced its effectiveness.

Members of my department were here earlier to make a presentation, so I don't want to repeat anything that was already said on record. I understand that their comments included jurisdictional comparisons, profiles of minimum wage earners, the various formulas for different minimum wages, and the impact of minimum wage increases on employers and employees. I don't have to tell you that this is a complex issue with serious economic and social implications, so I am very appreciative of the thoughtfulness I know this committee will bring to this particular issue.

I will conclude by saying that I look forward to hearing what the stakeholders will tell you and the recommendations that you will bring forward this fall. I also would like to tell you that I'm very excited about these all-party committees, and I thought that this would be the best forum in which to discuss minimum wage. As you know, minimum wage is not only a very important issue, but it's a very emotional issue, as I indicated earlier, with great social and economic implications. That's why I thought it would be very important to discuss this issue without any partisan biases but also in full view of Albertans, giving all stakeholders the ability to provide you with input.

I can tell you that at this point in time I have no preconceived notions of what the outcome of this exercise should be, but one thing I know for certain is that I would like to provide Albertans, particularly those relying on minimum wage legislation and employers who are engaged in businesses where minimum wage is pivotal to their existence, some form of predictability and fairness. I think that with your input we will be able to arrive at a formula where predictability and fairness would be met.

At this point I thank you for all your work, and I'm really looking forward to your recommendations.

The Chair: Thank you very much, Minister.

We've got a couple of questions here, starting with Mr. Chase, please.

Mr. Chase: When it comes to professional occupations, the term "glass ceiling" is used for women who do not receive a wage that their male CEO counterparts receive. When it comes to minimum wage, instead of a glass ceiling I'm seeing a lead lid. Seventy per cent of the individuals receiving minimum wage are women. We also know that women are the primary head, the single wage earner, in single-parent families. The point I'm making is that the effect of a low minimum wage is most felt by women and, to extrapolate, single-parent families. I realize we have to balance having a job with no job at all, but it's important that we realize that the effect is most strongly felt by women in Alberta.

The Chair: That was just a comment?

Mr. Chase: Yes. Well, if I'm all wet on this one or you want to argue the economic argument, that it's better to get a low wage than none at all, that seems to be the other side of the argument.

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

I guess we have no other questions.

Mr. Lund: Well, not so much a question, but I want to get it on the record that at least I was very impressed with your staff that were here this morning. They sure knew the business inside out. I'm sure the committee very much appreciated their answers and their ability to communicate on the different situations that we brought up. They're going to be very, very helpful to us.

Mr. Lukaszuk: Thank you, Mr. Lund. I have to tell you that I wouldn't be able to do the work that I do without the staff that we have.

9:30

Mr. Griffiths: Oh, we all know that.

Mr. Lukaszuk: You all know that. Thank you, Mr. Griffiths.

In this particular ministry we're dealing with social issues, and often we interact with Albertans that are simply, for lack of a better term, down and under. The staff in this ministry just impress me because not only are they experts on technical matters and not only are they professionals, but they're also very compassionate human beings. If you ever have a chance in your own riding to come into one of our offices and watch them at work, it's just phenomenal because there is that interplay of professionalism and good, professional, sound advice but also compassion. I wasn't here for their presentation, but I'm not surprised that they provided you with a good overview.

The Chair: Thank you very much.

Mr. Marz: Just a comment. I was pleased to hear you say that you don't have any preconceived notions on how this should turn out. I assure you that neither do I. I'm looking forward to hearing from the stakeholders on this. As you stated, there's potential for huge socioeconomic ramifications to what this committee recommends and, subsequently, what government does with those recommendations.

I just wrote down three words as advice to myself as we go through this, and it's: do no harm. We can come up with something that we think is going to be really wonderful, and you really don't know until you apply it. It's going to take a little visioning on behalf of the committee and yourself as we go through this process and try to envision what our recommendations are going to actually end up doing.

Mr. Lukaszuk: Correct.

The Chair: Thank you, Mr. Marz.

Mr. Fawcett.

Mr. Fawcett: Thank you, Mr. Chair. I guess I would just like some further comment from the minister on what he went through this winter in his decision-making process, you know, to freeze the minimum wage and then ask the policy field committee. Was the biggest concern that currently we didn't have the appropriate minimum wage set, or was the biggest concern that we didn't have a system of determining minimum wage that, I guess, provided you confidence to come to a minimum wage that was appropriate?

Mr. Lukaszuk: Let me put it this way. You know, in Alberta, rightfully so, we often indicate that we have the highest weekly earnings of anywhere in Canada. That is correct from a statistical perspective, but that statistic is significantly swayed by a small sector, primarily in the oil and gas industry, that's driving the average weekly earnings so high. If you were to extract oil and gas workers from the statistics and then look at the average weekly earnings in Alberta, you would find a totally different picture. If I was to comply with the previously set rule and adjust average weekly earnings for all employers based on the overarching statistics, you would find that perhaps it wouldn't be a best measure.

The question was: do we extract a certain sector and then look at the increase in average weekly earnings? It simply did not feel right. The fact is that I am convinced that the current measure that we have is not the best one that there possibly could be, and I think all of you will be able to come up with a better, more predictable, and more fair measure for recipients and employers.

My decision was to freeze the wage as it was and at the same time perhaps allow individuals to hold onto the jobs that they had and not lose them and in the meantime quickly engage in this particular process so that by the next round of adjustments I will be able to provide not only an adjustment but also introduce a formula that's more predictable into the future.

The Chair: Thank you very much.

Mr. Chase: Possibly I misunderstood, but if you remove the primary employer and the wages that primary employer pays based on skills and so on – we know that oil and gas extraction, refinement, processing, pipeline manufacturing, and so on is the key employer in this province. To suggest that somehow we'll look at that as an anomaly and subtract it from the weekly wage earnings, we might as well be Saskatchewan if you get my drift. I don't see how you can take out the main driving wage force and then come up with a formula that doesn't take that into account.

Mr. Lukaszuk: Mr. Chase, I'm not suggesting to you that you should be doing that. I'm just telling you that the average weekly earnings in Alberta are extremely high compared to other provinces, but there is a reason for it, and what I'm suggesting to you further is that not all Albertans benefit from this height of average weekly earnings. There is only one sector of the economy and employees of that sector that benefit from that height. If you are working in any other sector, you would not have seen your average weekly earnings spike as much as other sectors have.

But you do with it as you may. That's the great thing about all-party committees. You will hear input from both employers and employees from all sectors, I hope, and they will give you a pretty good overview of what's happening in the marketplace right now.

Mr. Chase: My concern is, too, that we've previously had governments trying to create a made-in-Canada approach. We know the disaster of the national energy policy, for example, and we also know the disaster of wage and price controls. So we have to be careful that when we're dealing with the minimum wage for this province, we take into account not only the wages but the prices and the people who go to the grocery store. Whether they're working for Nexen or Shell or whatever, they still have to pay that same price for a loaf of bread and a litre of milk. We have to look at the whole factor, not just the wage side. We have to also look at the CPI and the cost side.

The Chair: Okay.

Mr. Hinman, you've got a question?

Mr. Hinman: Yes. I just wanted comment to the minister that one of the things that I'm proud of here in Alberta is our high basic tax exemption. I think what we're always looking at, you know, is that LICO and what a person actually takes home in their pocket. It's something, I guess, that I'd just encourage him and every minister, when we're working on the federal level, to encourage the federal government to raise the basic tax exemption. Raising the basic wage often just equates to a dog chasing its own tail and the fact that it seems to get taxed, and these people lose it.

An area that I again, as we talked about earlier, would like to emphasize is: where can we, you know, benefit these individuals the best in ensuring that they have more money in their pocket to spend on their food, shelter, clothing, and discretionary spending? Again, it just seems to me that lowering taxes for low-income people would be far more beneficial than trying to raise them 20 cents or 30 cents an hour only for them to lose it to taxes, whether it's municipal, whether it's federal. So I just encourage them to continue looking at that side as well, how we can help these individuals out rather than just looking at the minimum wage aspect of it.

The Chair: Thank you very much.

Mr. Weadick.

Mr. Weadick: Well, thank you. I just want to comment for a moment. I know last meeting one of the big discussion points we had was: why are we doing this? Is there real value in taking the time this summer to look at the minimum wage issue? I just want to thank the minister and his staff. This morning, I think, clarified that and gave us some pretty clear areas where there are some things that need to be looked at, some of those around different sectors and those kinds of things that we haven't done in Alberta, at least recently. So I think, from my perspective, I see a lot more value going forward than I did even a couple of weeks ago in this review.

Minister Lukaszuk, pass on to your staff and to yourself a thank you for the information today because I think it really helped me to get my head around where we're trying to get with this and some of the important issues that are going to impact both the businesses associated and the workers as well. I see good value in getting this done and getting it done right, and if we do, I think it'll help us into future. Thank you.

Mr. Lukaszuk: Thank you. It's not a simple issue. I know your researchers will provide you with great and valuable research. I took the time myself to sit down at my computer and just look at different jurisdictions, not only within Canada and North America but throughout the world, and it's actually quite amazing how many different approaches there are throughout the world to minimum wage and how different approaches are justified. I encourage you to look at any and all possibilities and consider them. Perhaps different pieces from different places put together will answer what we need in Alberta.

9:40

The Chair: Thank you very much, Minister Lukaszuk.

Mr. Lukaszuk: Thank you very much. Thank you for having me. Good luck.

The Chair: Thank you.

That brings us to 5(c) on our agenda. In the last meeting the committee discussed the possibilities of creating a set of focus questions or a questionnaire of some kind. Before we go any further, I'm going to ask Mr. Reynolds to discuss that a little bit further.

Mr. Reynolds: Well, it's up to the committee, Mr. Chair. I think in our discussion before I'm just saying that the minister has asked a question of the committee with respect to the review. He's asked that the standing committee conduct a review of Alberta's minimum wage policy. Because this is a request by the minister, I would assume that that would be the starting point for any questions you have. I would think that because this is what the minister has asked, at a minimum one of the questions or perhaps the only question or at least one of the questions would be, "How should Alberta's minimum wage be determined?" or something like that. At the end of the day one would think that the committee would want to respond to the issues that the minister has asked. That was my only point.

The Chair: Any discussion on that?

Mr. Chase: This is more for the record than anything else. I'm appreciative of the fact that Alberta some time ago in its development of the minimum wage did away with a differentiated wage based on age, based on work experience, and so on. A number of the jobs that are done at the minimum wage category do not necessarily require a large degree of training. Where I'm coming from is that I think Alberta recognized equal pay for equal work, and I think that's an important precedent that has been established and would hopefully be maintained.

The Chair: Thank you very much.
Dr. Taft, go ahead, please.

Dr. Taft: Yeah. I'm just curious why we have Parliamentary Counsel here advising us on this. I'm wondering: are there legal issues that we need to be aware of in how we ask this question?

Mr. Reynolds: Well, if I may, Mr. Chair.

The Chair: Yeah. Go ahead.

Dr. Taft: I'm not trying to be difficult here. I just don't want us to get to the end of it and then say that somebody is . . .

Mr. Reynolds: No, of course not. You know, sometimes our scope goes a bit beyond the legal. All I'm saying is that the standing order that has brought this about is a request by the minister to conduct an inquiry. I mean, all I'm saying is that in the focus questions, if the intent of the committee is to answer the questions asked by the minister, then one would think that one of the questions you might want to ask people would be in response to the minister's query. That's all. It's just to advise as to that this is an inquiry under the section.

Dr. Taft: That's fine. I didn't want us to get to the end of this and then have somebody challenge us legally that we didn't fulfill the terms of reference. You're not here because that's a risk.

Mr. Reynolds: No.

Dr. Taft: Good. Thank you.

The Chair: Thank you very much.

Mr. Griffiths: To me, the fundamental question to put out there is, "How should Alberta determine its minimum wage?" and let people bring questions or suggestions forward. Being specific, "Do you

think \$8.80 is the appropriate amount for minimum wage?" – anything more specific than that forces people to answer a question they don't have enough information about. I mean, we spent the entire day asking for more details and information and research. You could set people up to answer a question they don't appropriately know. But if they have ideas on how Alberta should set it, I think that's a very appropriate question, probably the fundamental and most appropriate question that we can ask without setting up false expectations.

The Chair: Thank you very much.

Mr. Lund: Even going as far as Mr. Griffiths has indicated, just asking how Albertans feel that it should be set, I think we should maybe even be more broad than that and simply ask: what do you believe the minimum wage policy in the province of Alberta should look like? The only thing that I'm worried about is if we just talk about the setting of the minimum wage. Dr. Taft in his questions right off the bat this morning asked the question: what is the value of the minimum wage? That's a question that I know I've been wrestling with since we started talking about this whole issue. If we had it broad so that we're not restricting anything, that kind of discussion is on the table.

Mr. Chase: I think I'm finding myself channelling Ty here in a broader question. Rather than "Is \$8.80 sufficient?" I'm looking for the same answers. What factors should we be considering in determining Alberta's minimum wage? That throws it sufficiently open that if people have concerns such as municipal versus rural and so on, they'd be taken into account. I think the broader the scope, the better in terms of encouraging people to input.

The Chair: Mr. Hinman.

Mr. Hinman: Yes. I just wanted to comment on Mr. Chase's comment earlier, then Mr. Lund's as well. He commented, you know, about equal pay for equal work. I guess my concern if we get caught up on that is: is that equal cost in every community? It isn't. So I'm very nervous that if we just look at Calgary, Edmonton, or Fort McMurray and say, "Oh, this is what the wage needs to be," we possibly do a lot of damage to the rest of Alberta in one way or another.

I guess I would want us to make sure that we're looking to answer that question that Kevin asked right at the start: what is the value of minimum wage? Is it one of those things that possibly we should be looking at that we continue to freeze and eventually no longer look at and allow the different jurisdictional areas to look if there's something that they need in their communities? I'm just very nervous that we continue to look at the minimum wage geographically across Alberta when it isn't equal cost in each community. Therefore, I just wonder if we're going to do more harm than good for the general economy.

The Chair: Thank you very much, Mr. Hinman.
Mr. Weadick, followed by Mr. Taylor.

Mr. Weadick: Well, thanks. I agree. I think we need to keep the questions fairly broad and fairly simple. I like Dr. Taft's first question, you know: should we have a minimum wage? Asking people that very basic question isn't necessarily a bad thing. But beyond that we can ask them things like: should it be different for different industries? Should we take industries that have tips into account when we're calculating minimum wage? Should experience of the worker have some impact? Those are things that people out

there, whether they're a worker or an employer, can get their heads around and say, you know: I think if someone has absolutely no experience, it should have some impact.

So I think that if we ask the question in a way where people can put it on the ground where they work, as opposed to whether the Belgian model versus the French model is going to work better, once we get feedback from Albertans, we can then see which of the models helps us to reflect some of those views in it. I'd like to see questions like that that are fairly simple and easy to answer if you're a worker or a small business.

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

Mr. Taylor: Thank you, Mr. Chair. You know, I will certainly try to be there in person for the next meeting because conferencing in is a way to take part, but it's not as good as being there in person. It's sometimes a bit difficult without being able to see people, just where we're going with the discussion.

It seems to me that we've had it proposed that we ask just one very general question, something along the lines of: should there be a minimum wage, or what should Alberta policy on minimum wage be? Yet there are also some suggestions in here that there be, I guess, some supplementary questions. I'd certainly support some of the notion of having some of those supplementary questions in there as a guide for the discussion, I guess, on the assumption that we do go initially with a very broad-ranging question that allows people to take this discussion where they will.

9:50

The Chair: Thank you very much.
Are there any other questions regarding this?

Dr. Taft: I agree with a broad question. I don't want it to be interpreted that I support abolishing the minimum wage, the way the conversation has gone here. I was trying to get at questions around the effectiveness of minimum wage. But a broad question is fine. I think, though, that if we put it out there in Mr. Weadick's terms – should there be a minimum wage? – we would get a different kind of reaction probably. It would create a different atmosphere of hearings than perhaps we were expecting, or where I thought this was heading anyway. I'll just stop by saying that a good, broad, open question is fine with me.

The Chair: Thank you very much.

Mr. Lund: Well, I would have no problem with as a sub underneath that question, a "some suggested topics to consider" kind of statement. My worry is that we put out questions and then somehow we happen to miss something that some people think is important but that wasn't one of the questions. So even the subtitles, I guess, give some focus to the broad question and give the public notice that we are going to be discussing a whole host of things as we develop the policy. That might work. But I'm always nervous that as soon as you start putting down a list, you could have an incomplete list in the opinion of some people, and therefore they don't feel that it's up for discussion.

The Chair: Thank you very much.

Mr. Marz: I like the broad question – and I wrote most of the things I heard down – "What should minimum wage policy in Alberta look like, and what factors should be included in determining that policy?" something like that. I'm not sure if it was one of these two gentlemen to my left here that contributed to that, maybe both of them, but I think that is a pretty good question, and it doesn't lead

anybody to think that there shouldn't be a minimum wage at all or there should be a specific one. It's broad based. It's open ended. What we're looking at is setting policy, so we're not setting the minimum wage every year. The policy would set it. I think that's the type of direction we're looking for here.

The Chair: Okay. All right. With that, then, may we get a motion that we instruct the researchers, Dr. Massolin, to come up with a set of questions and get a sort of general consent from the committee that authorizes the chair and the deputy chair to approve it? Or do you want to bring it back to the committee for approval?

Mr. Chase: Just based on what previously occurred with Public Accounts, I think the committee provides the chair with the direction; therefore, I would suggest that the chair would be able to approve it based on the input from the committee.

The Chair: Chair and deputy chair both approve it is what I was asking the committee.

Mr. Lund: I would move that
the chair and deputy chair approve it.

The Chair: Okay. Thank you very much. That concludes that portion, then.

Moving on to the approval of the stakeholders list, please, I'm assuming that we've had an opportunity to look at the stakeholders list.

Mr. Lund: It may be covered in here, but I know there was an organization – I've been wrestling with the official name, but I think it was something along: united independent grocers, that group of people. They hire a lot of people filling shelves and this sort of thing. I don't know what exactly they're paying, but I suspect that they would be among one of the major employers of minimum wage people. I'm not sure of the exact title.

The Chair: Okay. So you would like to see that added in there?

Mr. Lund: Well, they're a very large group of employers. They're independent as well.

The Chair: Okay. No problem.

Mr. Weadick: I'd just had a couple of those arise out of discussions today. One of them was around seniors. I didn't see any seniors' organizations, and we heard that a significant number of seniors are working in the . . .

Dr. Taft: I think they are on the list now.

Mr. Weadick: Oh, are they? On this new list?

Dr. Taft: I believe so, yeah.

Dr. Massolin: Under 16 they're on page 12.

The Chair: Okay.
Mr. Marz, go ahead please.

Mr. Marz: I found what I was looking for. We're talking about . . .

The Chair: The stakeholders list, the newest list.

Dr. Taft: It's dated May 4, and it's titled List of Prospective Stakeholders: Minimum Wage Review.

The Chair: Dr. Massolin, go ahead, please.

Dr. Massolin: Yeah. I just wanted to point out to the committee that this list, the latest list that was posted, is comprised of the original list that the research section put together in addition to the feedback received at the last meeting and the feedback received offline through e-mails and so forth. Maybe with the exception of Mr. Lund's addition I think it should incorporate everything that was asked for.

I do, Mr. Chair, have one point of clarification, if I could. If members could turn to page 4 of the document, I think there was a request by Mr. Weadick about having regional representation in certain areas. We've got the three chambers of commerce organizations: Alberta, the overarching; Edmonton; and Calgary. Then under that you can see that there is a note there that Alberta has more than a hundred chambers of commerce, so we're looking for direction there in terms of: are those three organizations enough? Does the membership here want us to increase the numbers, who we consult? What's the committee's direction?

The Chair: Mr. Marz.

Mr. Marz: Yeah. If we're going by this list on the handout we got just this morning at the table, I don't see anything from disabilities on there such as Alberta Committee of Citizens with Disabilities. Is that on there?

Dr. Taft: There are some disabilities organizations.

Mr. Marz: EmployAbilities.

Dr. Massolin: On page 9.

The Chair: I think you may not have the correct list, Mr. Marz.

Mr. Marz: I don't think I do, then.

The Chair: We'll bring you one.

Dr. Massolin: We have the Alberta Committee of Citizens with Disabilities, we have the Alberta Council of Disability Services, and we also have EmployAbilities.

Mr. Marz: I was looking at two lists, actually: one was on the small presentation, the one that we just got this morning, and the one that's on the thicker one. If it's the thicker one, I'm fine with that one.

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

Mr. Chase: I was just going to suggest that in other committees we haven't necessarily worried about the number of written submissions, kept it wide open, but we're a little bit more restrictive in terms of the presentations for the sake of the committee. I'm reasonably certain that we probably covered all aspects with the prospective stakeholders, but I wouldn't want to think that if some organization wanted to put in a written submission, we wouldn't accept it. I mean, it's just something that we would individually review as part of our preparation for decision-making.

The Chair: Okay. Thank you very much.

Mr. Weadick, go ahead, please.

Mr. Weadick: Well, thank you. I was just going to say the same thing. I think that if we're going to try to hear from people, it would be hard to hear from a hundred chambers. I would assume that the Alberta chambers would let their members know. Plus, there will be the advertisement. I think that, probably, if the Alberta Chambers of Commerce wants to come and make a presentation, those kinds of organizations are great, but I'm guessing we can pick up a lot of the smaller organizations through the advertising part of the program.

The Chair: Two things for me to move further. One is that the Standing Committee on the Economy approve the list of stakeholders to be contacted on the issue of minimum wage policy in Alberta as it is amended, because we've added a name to it. Further, on the same thing, should we include a question on there: would you be willing to make an oral presentation? Should that be included right there, or should we discuss that on the questionnaire as well? That's open for discussion for the committee.

10:00

Mr. Marz: I think the question should not be, "Are you willing to?" but "What is your preference?"

The Chair: Given the opportunity.

Mr. Marz: Yeah. Do you prefer to make a written as well as an oral presentation or just a written? It should be neutral, where it doesn't look like we're soliciting one way or another.

The Chair: Okay. Any other questions?

Mr. Lund: Only the comment that I would encourage the oral because with written, while they can make some points, as committee members we wouldn't have the opportunity to ask them questions. I think that often, particularly as we discovered this morning, this is a very complex issue. We may very well want to ask the individuals or groups a question relative to something that they have recommended: have you thought of this, for example?

The Chair: Okay. Are there any other questions in terms of the oral presentations, location, and stuff like that? Should that be right here in Edmonton? I think that in our last discussion that came up as well. It's once again open for discussion.

Mr. Marz: We could have a central location like Olds. That would encompass both Calgary and Edmonton.

Mr. Weadick: I would say maybe north and south.

The Chair: North and south? Okay. Edmonton and Calgary, north-south. Is everybody okay with that? I think we're starting to lose people, and we're running out of time here. Is everybody good with that? Do we need a motion on that, then? Let's get somebody to move it.

Mr. Lund: I move that we have open hearings in both Calgary and Edmonton.

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

That brings us to our next agenda item, 5(c)(iii), communications, advertisement, media, and website. Once again, in terms of communications, media, and website I'm going to ask Ms Sales to discuss that portion of it, please.

Ms Sales: Thank you, Mr. Chair. In response to committee direction at the last meeting, the draft ad has been adjusted to allow four points of focus, but in listening to the discussions around this table and looking at the ad, I actually think the ad does meet the criteria that you have all said that you want in the ad. I'm going to read the ad to you and just see if you agree. We say that

the all-party Standing Committee on the Economy is conducting a review of Alberta's Minimum Wage Policy to ensure that it meets the needs of workers and employers, and remains relevant given changes to the economic climate.

The Committee is seeking public input through written submission on how the minimum wage in Alberta should be determined.

I'm thinking that that's really the main question of focus that you want answered by the public, so I'm actually thinking that that might be all that is required in the ad.

Mr. Lund: In my opinion, that doesn't cut it because you're saying: how should the minimum wage be determined?

Ms Sales: Right.

Mr. Lund: I'm suggesting that the broad, open question should be: what should the minimum wage policy of the province of Alberta be?

Ms Sales: Okay. We can actually change the last sentence to say that the committee is seeking public input on what the minimum wage policy in Alberta should be, if that meets the criteria.

Mr. Lund: That cuts it for me.

Mr. Chase: We also were talking about the north-south and oral presentations. That ad doesn't capture that. You mentioned written presentations, but there was nothing about oral presentations. Where I'm coming from is that in order to sort of keep it up to speed with what's been talked about today, it might be worth while within the ad to set dates, if at all possible, for both Edmonton and Calgary so that, you know, it's kind of a one-shot approach in trying to include as much into it as possible.

The Chair: Yeah. I think we're going to be discussing that in our next agenda item in terms of the submissions. We'll bring that up as well, the deadlines.

Mr. Chase: Okay. It's got to be part of the ad. That is what I'm saying.

The Chair: Yeah. Absolutely. Thank you.

Mr. Weadick: We want to leave a space in the ad for those dates, and then we can discuss them in our next item.

The Chair: Mr. Marz.

Mr. Marz: My point has just been made.

The Chair: Okay. Thank you very much.

Is there any more discussion on this? Then with that, the chair and the deputy chair can be authorized to approve the final list of stakeholders to be contacted on the issue of minimum wage. I think we dealt with that already.

Mr. Weadick: That's done.

The Chair: That's been done already.

The next one is that

the Standing Committee on the Economy authorize the chair and the deputy chair to approve advertisements and communications inviting public input on behalf of the committee in regard to the review of Alberta's minimum wage policy.

Mr. Weadick: I'll move that.

The Chair: Okay. Moved by Mr. Weadick. All in favour? Carried. Thank you very much.

That brings us to the submissions deadline and posting to the web. The committee needs to sort of come up with a deadline as to when we want the submissions.

Mr. Marz: Mr. Chairman, every time we do a summer-type consultation, we always get criticized for holding submissions in July or August, when people are on holidays. I'd like to stay away from that if at all possible and have this part of it done by the end of June. The committee may have July to do a lot of work in reviewing it and giving direction for the report, so I would say that the written should be available no later than the end of the second week in June and that the oral probably could take place in the third week in June or, if we have to, the fourth.

Depending on how much enthusiasm there is out there to participate in this, we may have to look at two days in Calgary and two days in Edmonton, in a row, to accommodate everybody. I think that for flexibility with the number of days that we're having in Edmonton and Calgary, we could start with two days, and if we need to extend it, I guess we can. You could do two days in Edmonton, on a Monday and Tuesday, and Calgary on a Thursday and Friday or something like that.

The Chair: Mr. Weadick, followed by Mr. Chase.

Mr. Weadick: Well, thank you. I don't see any reason why we'd have to wait until the end of the date for written submissions before we do verbal. I mean, people can be online doing stuff till June 15, and we could meet June 2 and 3. To simply wait till one ends, especially when we want to get this done – I would say: let's schedule it. These ads are going to be in the paper. People have a couple of weeks to plan. Let's plan the first half of June to try to have the verbal, mid-June to have a cut-off, so that if the verbal spurs people to want to maybe add some extra written information, have it cut off mid-June, and then we've got a little bit of time to finish it all off. I would suggest we do the orals as soon as we can in early June. Then if we want, we can invite some people specifically, that have given written but didn't come and do oral presentations, that we may want to ask questions. We may want to invite some of the larger organizations to a morning here where we can actually talk to them about some of their issues.

Thank you.

Mr. Chase: Well, I'm very supportive of putting a cut-off of mid-June. I can't help it, but as a teacher of 34 years I see June 30 as, you know – I've used the term "beer and barbecue." That's no longer the case now that I'm an MLA.

I think that by June 15 if people are interested, they've got approximately a month to provide those submissions. If we can indicate when the opportunity for the oral submissions would be, obviously, prior to that June 15, I think that would be helpful in terms of facilitating the ad and our meetings as well.

The Chair: Thank you.

Mr. Lund: Well, personally, I can't be here till the 8th of June, and I know there's a caucus planning session the 7th and 8th.

Mr. Weadick: Yeah, you're right. On the 6th, 7th, and 8th.

The Chair: I think we'll try to work around the schedules. We generally do the polling before we call the date.

Mr. Marz: How about the 10th to the 15th? That gives us five days in there and a day off in between locations for travel.

10:10

The Chair: Can I make a suggestion here? In some of the discussions we've had previously, we generally wait for the written submissions because we're putting a question on there: given the opportunity, will you be presenting? For anybody who wants to present, traditionally everybody who submits, the research committee needs about a week to compile the data and to come up with what they've received. Then based on the submissions we sort of decide who is making the oral presentations and who is sufficient as a written presentation. On their written submissions they will indicate whether or not they are going to be making an oral presentation or if they're even willing to make an oral presentation. We as a committee decide whom we want to bring in because, otherwise, if there are many, many, many people willing to make an oral presentation, that may restrict us. That's the question I pose to the committee because that's how it has been traditionally.

Mr. Weadick: There are two different kinds of oral presentations. There are people that want to just come forward and share their information with us. Maybe they're more comfortable that way. Then there's going to be that group of people – it may be the Federation of Labour or the Chambers of Commerce – that we want to invite here to sit down and have a little more in-depth discussion about some of the issues they've brought up. I don't want to mix the two.

The public piece is to say, "If you want to come forward, we're going to try to accommodate that in either Calgary or Edmonton over a one- or two-day period" to get as many people through the door to tell us how they feel about where this should go. That's one piece. The other piece is what we believe beyond that that we need for discussion.

So I think probably picking a couple of dates in Calgary and Edmonton, getting them in the newspaper, and telling people they can come out and talk to us is great, and that's the first piece. The second half of June, once everything is in, if we want to invite three or four or five or any number to come forward and have a further discussion, that would be the second piece.

Dr. Massolin: I just wanted to add, just to reinforce your comments, Mr. Chair, about not only the traditional practices of the previous policy field committees but also the merit of looking at the written submissions and seeing who wants to actually appear for an oral submission and understanding where they're from so that you get a good sense, first of all, through the written submissions that you've got a large number from southern Alberta; therefore, you might want to hold a second day in Calgary, and that one might be of benefit. You wouldn't be able to have that information if you were to do it in a two-stage process. So I just wanted to offer that.

Mr. Marz: I believe that with the boundary commission, if you wanted to make an oral presentation, that was totally separate. You had to e-mail them or apply separately from when you put your written submission in, so I don't think the two are connected.

I think that when we advertise it, right off the bat we should request that written submissions be received by a certain date, which could be the 5th of June or something like that, so that they would have that appointment – they'd still have time to work on a written submission as well – and that there be a requirement that their written submission be to the committee at least five days prior to their oral presentation. So if they want to request by June 5 to come and meet with us, that would be fine. Their written submission would have to probably be in, if we were going to meet on the 10th, by that time. Or if it's in Edmonton – I'm just putting some dates down – the 9th and 10th in Calgary and the 14th and 15th in Edmonton as rough dates, that happen to coincidentally fit in my calendar quite nicely.

Mr. Weadick: Well, that's what really counts, Richard.

Mr. Marz: Exactly.

The Chair: Thank you very much.

Just one second, Mr. Chase. Ms Sales, go ahead, then.

Ms Sales: Thank you, Mr. Chair. I just wanted to point out to the committee that there actually is a line in the ad that does say that the committee may hold public hearings at a later date, asking them also to indicate if they're interested in making an oral presentation upon request of the committee, so that does leave that open. The only consideration that I think we need to make about calling for oral presentations before you receive written submissions is that the written submissions will allow you to gauge interest from the public. If you do not receive a lot of written submissions from the public as compared to stakeholders, that will allow you to narrow your focus to the stakeholders when it comes to the oral presentations.

I think that not knowing the public interest, not gauging that prior to the oral presentations, could set us up for not being prepared for how many people might attend or how many people might not attend. You have no way of knowing.

The Chair: Okay.

Mr. Chase, go ahead, please.

Mr. Chase: Just to capture what has been said both by Richard and Ms Sales, I think beyond a doubt we could state that written submissions have to be in by June 5. I don't think there's any confusion about that. We might try and incorporate what Richard was suggesting, that dependent on submissions and interest, oral presentations would be held in the following week or something along that line. We're sort of setting things up. I think we could fairly quickly on a website or back to the people who sent us the written submissions provide them with the dates as needed.

Hopefully, I haven't muddied it rather than clarified it.

The Chair: Okay. Back to the motion. Ms Sales needs clarity on the advertisement. Are we going ahead with the motion, then, or are we going ahead with the advertisement to first have written submissions and then invite people for oral presentations, or are we saying that whoever wants to make an oral presentation can go ahead with it? We need clarity on that. Listening around here, I'm not a hundred per cent clear on the direction of the committee.

Mr. Lund: I think that in the initial ad we need to say that there will be the oral presentations or the opportunity. I would prefer that we nail down the dates now.

The Chair: We can nail down the dates of deadline for submission. The question we're wrestling with is: are we inviting everybody to make the oral presentation, or is that by invitation only? That's the part we're really wrestling with.

Mr. Lund: We're setting ourselves up for a problem if we restrict anybody that comes through the door.

The Chair: Okay. Fair comment.
Any other comments on that?

Mr. Marz: Does the committee feel that we need more than two days initially? If we need an extra day, that could be set for the third week in June, perhaps, if we need to go there. I'm just looking already, and I know everybody's calendar is probably looking like mine. Actually, the 9th and 10th and the 14th and 15th are the ones that aren't already booked. Some of us are going to have to do some cancellations, I guess.

The Chair: Should we proceed with that, then? We need a motion on that.

Mr. Chase: So just to clarify because Ms Sales is going to be the person trying to capture our thoughts here: we've got June 5 down for written submissions. There is no doubt about that. If we want to incorporate Richard's thoughts that, say, the initial round of oral presentations will take place in Calgary on blank date and in Edmonton on blank date, if we say "the initial round of oral presentations," we sort of cover ourselves that there might at some point in the future be a second round, if that works.

The Chair: Okay. Let's just sum this up here, then, that the Standing Committee on the Economy authorizes the chair and deputy chair to approve advertisement and communication advertising public input on behalf of the committee regarding the review of Alberta's minimum wage.
Can we get a motion on that?

Mr. Marz: I would move that.

The Chair: Okay. Thank you very much, Mr. Marz. All in favour? Thank you. You and I will take care of that. Thank you very much.

That brings us to our last point, which is the submission deadline. The first week of June has been suggested. Would that allow us enough time for advertisement and written submissions, Ms Sales?

10:20

Ms Sales: Yes. I believe that would be fine.

The Chair: Okay. Is there any discussion of that? Go ahead.

Mr. Marz: June 5 is a Saturday.

Ms Sales: So June 4 or 7. It would be a Friday or a Monday.

Mr. Marz: June 4.

The Chair: Okay. My question is: would June 4 allow you enough time for advertisement and for people to make the written submissions?

Ms Sales: I believe so.

Mr. Lund: Why not the 7th? That gives them a weekend to work on it.

The Chair: Mr. Weadick, question. Go ahead.

Mr. Weadick: Just a question. Are we going to allow the online to go beyond that, or is that the cut-off for everyone, June 7? Are online submissions going to continue to be allowed?

Mr. Marz: No. June 7.

The Chair: Okay. We need a motion on that, then, that June 7 would be the cut-off for written submissions.

Mr. Lund: I'll move that.

The Chair: Moved by Mr. Lund. All in favour? Good.
Thank you very much. Looks like we're starting to fly through the agenda here now.

Okay. Is there any other business committee members wish to discuss?

Mr. Marz: What about the dates of the oral? Better try to nail that down.

The Chair: Okay. Do we want to nail that down as well? All right. We could back up, then.

Mr. Marz: I suggested the 9th and 10th in Calgary and the 14th and 15th in Edmonton.

The Chair: June 14 won't work for me.

Mr. Weadick: Why don't we do a day in each to start with, and if we need more – let's not, you know, set up half of June for meetings.

Mr. Marz: Okay. How long of a presentation are you going to have? A half hour?

Mr. Weadick: Fifteen minutes.

The Chair: Fifteen minutes.

Mr. Marz: Okay. Yeah, 15 minutes plus 15 minutes for questions is half an hour.

Mr. Weadick: Maybe 10 and 10.

Mr. Marz: Unless you go 10 and 10.

The Chair: It's up to you guys.

Mr. Chase: Yeah. The beauty of it is that we're probably going to be the ones asking for their interpretation, so let's just say a 10-minute presentation and leave it that each group is on the half-hour to allow for sufficient time to ask them questions.

Mr. Marz: Yeah. Then you're doing 10-hour days or more if you want to do long hours, you know, into the evening. If you're doing 12 hours, you're looking at 24 presentations and, well, less than that because you've got to break for lunch and supper. You're probably looking at 20.

Mr. Chase: It'll be interesting, I think, when Ms Sales and Phil start

receiving the written submissions. That'll be able to determine for us, but we've suggested that in our initial circumstance we have one in Calgary and one in Edmonton. I know we're crystal balling at this point, but if we say that we'll have the initial orals on these specific dates with more to follow as required, I think we cover it.

The Chair: Okay. Are we okay with that?

Mr. Marz: I'm okay.

The Chair: All right. Let's set the dates, then.

Mr. Marz: We're going to have long days, though, I assume? If we're there, we may as well.

Mr. Chase: It's hard to tell.

The Chair: It's hard to tell. I mean, we don't know what the interest is going to be.

Mr. Marz: We'd better be prepared for long days, then.

Mr. Chase: What I would suggest is that we hold the Calgary and the Edmonton in a different week so that we're not ping-ponging in the event that it does turn out to be a long session.

The Chair: Dr. Massolin.

Dr. Massolin: Yes. Thank you, Mr. Chair. If I heard correctly, the deadline is on the 7th, which is a Monday, and then the possible first oral presentation dates are the 9th and the 10th. Is that correct? If so, that's only, you know, a day, really, to organize a lot of stuff. There's a logistics question there because, I mean, as we all know, a lot of submissions come in right at the deadline or just before. You might want to leave a little bit more time after the written submission deadline and the oral submission dates so that, you know, the support staff and also, obviously, the stakeholders and the members of the public can actually prepare to meet with the committee.

The Chair: So let's bump that back.

Mr. Chase: Phil, would you suggest then, say, the Monday following for the first in Calgary and then two weeks down the road for in Edmonton? Would that be sufficient?

Dr. Massolin: Yeah. Or a week down the road. Just a little bit of spacing, I think, is what we're looking for.

The Chair: The 14th is no good for me, but the 15th would be okay. Should we set that date? Edmonton oral presentations on the 15th of June?

Mr. Chase: That's a Monday, is it?

The Chair: That's a Tuesday.

Mr. Chase: Okay. I was just going to suggest possibly the Monday,

but that's just because I try to be absent from the constituency the least amount I possibly can. With Monday I could travel up on the Sunday and travel back on the Monday night.

Mr. Marz: Could we then leave the 16th as well in case we needed that time rather than go to Calgary and then have to come back to Edmonton? We could do the 15th. If we have more, just leave the 16th also available, because we're all here already for the 15th. If the time is required that we have to go over our day, let's do it right away.

The Chair: Is everybody agreeable? The 15th and 16th in Edmonton?

Mr. Hinman: The 15th doesn't work for me, but the 16th and 17th and 18th do.

Mr. Weadick: Mr. Chair, it's probably going to be impossible to book that date.

The Chair: Yeah. It's going to be impossible.

Mr. Weadick: What I was going to ask is: should we pick the dates and just have whoever can be there be there? Do we want to have people sit in on our behalf? You know, you can go around the province with three people doing library reviews, and I'm not sure we need 15 people at each session, so I'm throwing it open.

Mr. Chase: Just a factor that may or may not influence things, but because we're an all-party committee. I'm our whip and we traditionally have our caucus meetings on Tuesday, which would take out Kevin and myself if it were to be on a Tuesday.

Mr. Weadick: Should we leave it to you two to sort out some dates that would at least work reasonably well, send them out to us, and we'll get some response?

The Chair: We'll try to poll people. Whenever we can get the maximum number, we'll try to accommodate that.

Mr. Marz: The 16th doesn't work for me, but I can make it work.

The Chair: Okay. We'll do some polling.

Mr. Marz: I think all of us are going to have to try to make some of these work.

The Chair: As we've done previously, we'll do some polling, and then we'll go with that. Thank you very much. Those dates are taken care of.

Is there any other business? Seeing none, thank you very much.

The next item is the date for the next meeting. I guess we kind of tentatively discussed that. Once again, we'll do the polling: call of the chair, do a little of polling.

I think, with that, I'm going to ask for a motion to adjourn the meeting. Mr. Lund, thank you very much. Meeting adjourned.

[The committee adjourned at 10:27 a.m.]

