

**Second Session – Forty-First Legislature**  
**of the**  
**Legislative Assembly of Manitoba**  
**Standing Committee**  
**on**  
**Social and Economic Development**

*Chairperson*  
*Mr. Doyle Piwniuk*  
*Constituency of Arthur-Virden*

**Vol. LXX No. 7 - 6 p.m., Tuesday, May 23, 2017**

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**MANITOBA LEGISLATIVE ASSEMBLY**  
**Forty-First Legislature**

<b>Member</b>	<b>Constituency</b>	<b>Political Affiliation</b>
ALLUM, James	Fort Garry-Riverview	NDP
ALTEMEYER, Rob	Wolseley	NDP
BINDLE, Kelly	Thompson	PC
CLARKE, Eileen, Hon.	Agassiz	PC
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CURRY, Nic	Kildonan	PC
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**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**THE STANDING COMMITTEE ON SOCIAL AND ECONOMIC DEVELOPMENT**

**Tuesday, May 23, 2017**

**TIME – 6 p.m.**

**LOCATION – Winnipeg, Manitoba**

**CHAIRPERSON – Mr. Doyle Piwniuk  
(Arthur-Virden)**

**VICE-CHAIRPERSON – Mr. Blair Yakimoski  
(Transcona)**

**ATTENDANCE – 11 QUORUM – 6**

*Members of the Committee present:*

*Hon. Messrs. Cullen, Fielding*

*Messrs. Allum, Helwer, Ms. Lamoureux, Mr. Lindsey, Meses. Marcelino, Morley-Lecomte, Messrs. Nesbitt, Piwniuk, Yakimoski*

**PUBLIC PRESENTERS:**

*Mr. James Rilett, Restaurants Canada*

*Mr. Kevin Rebeck, Manitoba Federation of Labour*

*Ms. Michelle Gawronsky, Manitoba Government and General Employees' Union*

*Mr. Bob Moroz, private citizen*

*Ms. Molly McCracken, (by leave) Canadian Centre for Policy Alternatives*

*Mr. Josh Brandon, Make Poverty History Manitoba*

*Mr. Jonathan Alward, Canadian Federation of Independent Business*

*Mr. Darcy Penner, Canadian Community Economic Development Network*

*Ms. Lynne Fernandez, Canadian Centre for Policy Alternatives*

*Mr. Loren Remillard, Winnipeg Chamber of Commerce*

*Mr. Cory Kolt, Manitoba Chambers of Commerce*

*Mr. Michael Chin, private citizen*

*Mr. Scott Jocelyn, Manitoba Hotel Association*

*Mr. Paul McKie, Unifor*

*Ms. Nicole Dvorak, private citizen*

*Mr. Matt McLean, Canadian Union of Public Employees*

*Mr. Carlos Sosa, private citizen*

**MATTERS UNDER CONSIDERATION:**

*Bill 33–The Minimum Wage Indexation Act  
(Employment Standards Code Amended)*

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**Mr. Vice-Chairperson:** Good evening. Will the Standing Committee on Social and Economic Development please come to order.

Before the committee can proceed with the business before it, it must elect a new Chairperson. Are there any nominations for this position?

**Mr. Reg Helwer (Brandon West):** I nominate Mr. Doyle Piwniuk.

**Mr. Vice-Chairperson:** Mr. Piwniuk has been nominated. Are there any other nominations?

Hearing no other nominations, Mr. Piwniuk, will you please take the Chair.

*Mr. Chairperson in the Chair*

**Mr. Chairperson:** This meeting has been called to consideration the following bill: Bill 33, The Minimum Wage Indexation Act, employment standards code amendment–amended.

I would like to inform all in attendance of this provision in our rules regarding the hour of adjournment. The standing committee meeting is considered bill–must not sit past midnight to hear public presentations or consider clause by clause of a bill, except for unanimous consent of the committee.

We have a number of presenters registered to speak tonight as noted on the list of presenters before you. On the topic of determining the order of public presentations, I will note that we have some out-of–present–out-of-town presenters in attendance, marked with an asterisk on the list. With the consideration in mind, in what order does the committee wish to hear the presentations?

**Mr. Helwer:** Mr. Chair, I suggest we hear the out-of-town presenters followed by the list in the order as presented.

**Mr. Chairperson:** Is it agreed by the committee to listen to the out-of-town presenters first? Agreed? [Agreed]

Before we proceed with the presentations, we have a number of other items and points of information to consider. First of all, if there is anyone else in the audience who would like to make a presentation this evening, please register with the staff at the entrance of the room.

Also, if—for the information of all presenters, while written versions of the presentations are not required, if you are going to accompany your presentation with written materials, we ask that you provide 20 copies. If you need help with photocopying, please speak to one of our staff.

As well, in attendance with our rules, the time limit is 10 minutes and will be allocated for presentations, with another five minutes allowed for questions from the committee members.

If a presenter is not in attendance when their name is called, they will be dropped to the bottom of the list. If a presenter is not in attendance with—their name is called a second time, they will be removed from the presenters' list.

Prior for proceeding with public presentations, I would like to advise members of the public regarding the process of speaking to—in committee. In proceeding with your—our meeting—are recorded in order to provide a verbatim transcript. Each time everyone wishes to speak, whether it is an MLA or presenter, I first have to say the person's name. This is a 'singal' that—for Hansard recorder to turn the mic on and off.

Thank you for your patience and we will now proceed with public presentations.

**Bill 33—The Minimum Wage Indexation Act  
(Employment Standards Code Amended)**

**Mr. Chairperson:** So we'll start with the out-of-town person on the list, and first person, comes—is James Rilett from Restaurants Canada.

Good evening, Mr. Rilett. Do you have any written materials?

**Mr. James Rilett (Restaurants Canada):** No, I'm just going to have remarks and keep it short for you.

**Mr. Chairperson:** Okay. Please proceed with your presentation, Mr. Rilett.

**Mr. Rilett:** Honourable members, legislative officers and staff, my name is James Rilett. I'm the vice-president, central Canada, for Restaurants Canada.

I'm always humbled presenting before a legislative committee and to be an active part of the law-making process. I want to thank you for affording me this opportunity, and I will try to repay you by keeping my remarks brief.

I'm here to support—speak in support of Bill 33, The Minimum Wage Indexation Act on behalf of Manitoba's restaurant industry. Manitoba's restaurant industry is comprised of over two hundred and—2,500 restaurants, bars, and caterers in cities, towns and villages, and communities across the province. Our industry employs directly 43,000 people and contributes \$2.2 billion to the economy. The industry purchased three hundred and—\$730 million worth of 'flood' products, mostly from local suppliers and farmers.

More than that, we employ youth and people new to the job market more than any other industry; 22 per cent of Canadians say their first job was in the restaurant industry. In the industry, the biggest single cost is labour; 36 per cent of the yearly unit volume is paid back to the community in the form of salaries and wages. As we are an industry that gives youth the opportunity for the all-important first time job, minimum wage is an important factor for us.

While most employees make well above the minimum wage, the cascading effect of increases are significant to operators, whose profit margins are well below four per cent. Large, unexpected increases in costs can have a crippling effect on business that may already be experiencing problems with profitability.

To illustrate this point, our senior economic—economist ran a model using statistically average restaurant. Say Jill's café is your statistically average restaurant. Jill's yearly volume—sales volume is \$660,000. She pays 36 per cent of that to her employees as salaries and wages. Jill has a pre-tax profit or three per cent, or \$19,800. A 10 per cent increase in minimum wage would have a cascading effect and cost \$12,700, representing an erosion of her profits by 64 per cent. It is with this in mind that we—it is important that we keep control of minimum wage and that we don't have huge increases.

That being said, our operators understand that wages rise and their employees should get regular increases. We understand that the government has a responsibility to raise the minimum wage. What we look for from the government are three things: responsible increases, the ability to plan for

increases, and to take the politics out of the decision-making process.

With Bill 33, we believe the government has met these goals. By indexing the minimum wage to consumer price index, the government has ensured minimum wage will rise naturally with inflation. By going further and guaranteeing there will be no reduction, the government has protected employees from deflationary cycles. By announcing the upcoming increases six months prior to implementation, it gives companies, especially small businesses, the opportunity to plan for the increase and to make adjustments to their business plans without any drastic measures such as employee cutbacks or reduction in hours.

Finally, we believe the government has met the goal of taking the politics out of the process. For years and in many jurisdictions we have seen workers used as a political pawn to curry favour with the electorate. Minimum wage is something that should be determined by a formula which balances the needs of the employees with the needs of the businesses that employ them. I would also like to point out that minimum wage as a social justice equalizer is a very blunt instrument that should never use—be used to—in place of social welfare projects. It is something that reflects the cost to business and the ability of them to pay and the ability of employees to get decent increases.

Finally, I want to thank Minister Cullen for bringing forth this bill, and I want to thank you again for allowing me the time to address you. As I said, I would be brief, and I'll take questions if you'd like.

\* (18:10)

**Mr. Chairperson:** Thank you, Mr. Rilett, for your presentation.

Any questions from the committee?

**Hon. Cliff Cullen (Minister of Growth, Enterprise and Trade):** Mr. Rilett, thank you very much for your presentation tonight, and certainly thank you for the work that, you know, your organization does through your members. It's a real training ground for many Manitobans, and, as you say, it's their first exposure to the workplace, so we appreciate what you're doing.

Obviously, we've tried to strike a balance in this legislation, and, obviously, with the indexing component, we think it sends a message and talks about predictability.

Could you talk about how important predictability is to your sector?

**Mr. Rilett:** Sorry, thank you.

Predictability is everything, especially in a small business where, if you can't predict what your costs will be from month to month, you end up cutting back hours, you end up cutting back on food supplies, maybe running out of food, maybe having to close a day a week, and that all has a cascading effect on your business model.

So what we've seen in the past is other jurisdictions that raise minimum wage without giving any hint of—or any time to adopt to that, we see—the first thing you usually do is cut back on hours. Say, we can do with three servers instead of four. Maybe we won't keep as many people as late at night. The hours are cut back. The—you—maybe not hire that young person that doesn't have any experience, and you don't want to take a chance on them because you just can't afford to. Your margins get so tight, you just can't afford it. So, unfortunately, labour is usually the first thing that's cut when you have unexpected and unanticipated expenses.

**Mr. Chairperson:** Any other questions?

**Mr. James Allum (Fort Garry-Riverview):** Mr. Rilett, thanks for coming tonight.

Don't you think that those earning minimum wage have increased purchasing power when they get a raise that's actually of an acceptable amount and that they spend it in the very restaurants that you're representing here tonight?

**Mr. Rilett:** Well, that's a theory I've seen forwarded. I've never seen anything that proves that it goes directly—you can make it work directly.

If we wanted to take that to extremes, if that was the case, that increase—simply increasing it will increase your customers, then why not increase it to \$20 or \$30? It just doesn't work. *[interjection]* Yes, it just—it simply—you have small businesses that have to pay this amount, and they just—they can't afford to continually be increasing it because of political will.

**Mr. Tom Lindsey (Flin Flon):** You talked in your presentation about how the minimum wage workers are young people or first job. Could you give me some statistics, perhaps, on how many minimum wage workers in the—well, in your industry are not just kids with their first job? How many of them are single parents? How many of them are long-term

wait staff that depend on these wages to support their family? *[interjection]*

**Mr. Chairperson:** Mr. Rilett.

**Mr. Rilett:** Sorry, I can't get used to that.

I can't give you—in our industry, I know, Canada-wide was—Stats Canada data shows about 10 per cent are single wage earners that are making minimum wage. The vast majority are people that—it's the second job or a part-time job or an earning job during high school or college. So—but I can't give you for our industry.

As I said, most people that are full-time in the industry make well above minimum wage, but the cascading effect that I talked about was, if you raise minimum wage by \$2 and I'm making—I've worked—been there for years, so I'm already making \$3 above minimum wage, I say, well, I also want a \$2 increase. So it cascades up; so, even somebody making \$18 to \$20 wants that \$2 increase. So it's not simply the people that are making minimum wage; it's everybody else that wants it. And some contracts are tied. Your minimum—your wage is tied to what minimum wage is, and it goes up commensurately. So that's when we talk about the cascading effect. It's not just the people that are making minimum wage and the slim minority of people that are only making minimum wage to employ their—or to support their families.

**Ms. Flor Marcelino (Leader of the Official Opposition):** Thank you, Mr. Rilett, for your presentation.

I just have a question, maybe you could respond with your personal view, or your business view. Would you prefer a person receiving a decent minimum wage or a living wage over a person who—because if it's, the minimum wage is too low, it's not—he or she's not able to subsist by it—would prefer to be recipient of social assistance?

Which would you prefer: a higher minimum wage that the person is able to be self-sustaining in, still living very simply, or someone who just give up, it's not—he or she's not able to subsist with that low minimum wage, so I'll just take welfare?

**Mr. Chairperson:** Before we can continue, I just wanted to let everyone know that—the committee—that we actually went over the five minutes.

So is it up to—is it up for the committee—does the committee want to extend the question time to permit Mr. Rilett to answer that question? *[Agreed]*

**Mr. Rilett:** It's hard to answer a hypothetical question like that, but I guess what I would reinforce is that anyone in our industry anyway, and most other industries that are making minimum wage, it's usually a training wage. So it's in that period of time where you're not—where you're learning the industry, you're learning the job, you're just getting your feet wet, and then your salary increases commence really.

Yes, we would all like to have employees that can support whatever they want. The problem with the minimum wage as a blunt instrument is, you have to pay the same minimum wage to a 14-year-old high school student that wants to buy a snowboard as a single mother that has three kids to support. So, unfortunately, it's a very blunt instrument to use as a social justice tool.

**Mr. Chairperson:** Well thank you very much, Mr. Rilett, for your presentation.

And now—I will now call on Mr. Kevin Rebeck, Manitoba Federation of Labour, to come up to do his presentation.

Mr. Rebeck—I mean, Mr. Rebeck, do you have any materials that you want to hand out to the committee members?

**Mr. Kevin Rebeck (Manitoba Federation of Labour):** Yes, I do.

**Mr. Chairperson:** Okay, we'll get somebody to hand them out for us.

You can please proceed with your presentation, Mr. Rebeck.

**Mr. Rebeck:** Thank you and good evening. I'm president for the Manitoba Federation of Labour and I'm here tonight not only on behalf of a hundred thousand unionized workers we represent, but also in solidarity with all working families, including almost 30,000 minimum wage earners in our province.

Manitoba's labour movement joins with any poverty activists, community organizations, economic and social academics, and experts in families living near or below the poverty line to condemn Bill 33, The Minimum Wage Indexation Act.

The bill entrenches working poverty in our province, ensuring that working poor are kept below the poverty line with no path out. It's absolutely shameful that this government wants to legislate the paying of poverty wages.

One year ago, the government suspended the regular process of the reviewing of the minimum

wage level, a process with a long history in Manitoba dating back several decades and over several different governments. They then proceeded to freeze the minimum wage for an entire year, leaving Manitobans as one of only two provinces in Canada—along with Newfoundland and Labrador—to not raise the minimum wage in 2016. Well, the term freeze would seem to imply to at least keeping minimum wage earners whole; that's regrettably not the case.

Due to the well-known effects of inflation, we all know that freezing the minimum wage actually sets minimum wage earners back financially. It erodes their purchasing power. This year's minimum wage freeze leaves full-time minimum earners some \$400 worse off. How does this government justify taking \$400 away from every working poor family in our province? It's disgraceful.

Manitoba's minimum wage falls far short of what working families need to meet their basic needs and to rise above the poverty line. Statistics Canada most recent 2014 calculation of the low-income cut-off, or LICO, a commonly used measurement of the poverty line, reveals that Manitoba's current minimum wage falls \$4.53 an hour short of even the poverty line, never mind a wage above the poverty line. That means we need a 40 per cent increase in the minimum wage to just boost minimum wage earners to the poverty line, to say nothing of a more comfortable wage level.

\* (18:20)

This confirms that Manitoba's current minimum wage is not a living wage; it's a poverty wage. Families working full time for minimum wage do not earn enough to escape poverty despite having a job and despite working full-time hours.

The labour movement's position on minimum wage is premised on the simple principle that no Manitoban working full time should have to live in poverty. We would hope this is something we could all agree on, regardless of political stripe.

Having a job and working full time should allow Manitobans to live above the poverty line, plain and simple. Full-time work should be a pathway out of poverty, not a poverty trap. Minimum wage jobs may not afford a generous lifestyle or even a common middle-class lifestyle, but no full-time worker should be trapped living below the poverty line. All workers should earn a living wage and employers should not be permitted to pay poverty wages.

It's important to recognize that minimum wage earners are moms and dads, everyday people who are working to make ends meet. A poverty-level minimum wage forces low-income working families like these to make impossible choices between paying rent or buying groceries, school supplies, bus fare, or other essentials.

Minimum wage opponents have sought to perpetuate stereotypes about minimum wage earners that simply aren't true. They would have us believe that minimum wage earners are mostly teenagers living at home in their parents' basement, free of rent, food and utility expenses, and working for weekend fun money at small mom and pop shops that can't afford to boost their wages.

Nothing could be further from the truth. In actuality, most minimum wage earners are adults. More than two-thirds are age 20 or over. Women, not men, make up the majority of minimum wage earners, which not only leaves more women living in poverty, but also worsens Manitoba's serious child poverty problem.

Only 37 per cent of minimum wage earners are students, many of whom work more than one job to not only pay their bills, but also afford tuition costs, which we all know this government wants to raise significantly.

Fifty-six per cent of minimum wage earners work for firms with more than 100 employees, and just over half of all minimum wage earners have been in the same job for over a year, still making minimum wage.

Raising the minimum wage also has a positive stimulus effect on the local economy because low-income workers have the highest marginal propensity to consume. That is to say, they spend the greatest portion of their income on consumer goods and services, rather than diverting their income into savings, and most of that spending happens here in our local economy. A growing economy, in turn, supports healthier government revenues and a better overall fiscal position.

Ask almost any small business owner what they need to grow their business and most will say they need customers with money in their pockets to spend.

While opponents have tried to suggest that minimum wage increases will force employers to 'dramatically' reduce hours or even lay off staff causing the economy to contract, there's strong

evidence to the contrary. In a letter calling for a higher federal minimum wage in the United States, a group of over 600 economists have stated that the weight of the evidence now shows that increases in the minimum wage have little or no effect on the employment of minimum wage workers even during times of weakness in the labour market.

Research suggests that a minimum wage increase could have a small stimulative effect on the economy as low-wage workers spend their additional earnings, raising demand and job growth and providing some help on the jobs front.

It's time for Manitoba to chart a path forward towards a living wage for all. We call on government to legislate a schedule of increases to raise the minimum wage to achieve the LICO level of \$15.53 an hour—2014 LICO. Indexing minimum wage to LICO will at least allow full-time workers to get out from under the poverty line and earn a decent wage sufficient to meet their basic needs.

A pre-set schedule of increases will give employers and workers certainty while providing adjustment time and affirming a commitment to the principle that full-time work should lift you out of poverty. Economists, social policy experts and politicians of all political stripes have long argued that good jobs are the best social program, the best ticket out of poverty, but this is only true if work pays a living wage.

Government invests significant resources towards supporting low-wage earners in Manitoba, in effect subsidizing the wages paid by minimum wage employers. Programs like Rent Assist, maximum parent fees for child care, and a host of other important programs subsidize the wages working families have to earn in order to make ends meet.

And, of course, even with these investments far too many full-time workers still live in poverty. Wages need to be a bigger part of the solution and employers must do their part.

Raising the minimum wage has the potential to have an enormous positive effect in reducing Manitoba's poverty rates without requiring additional government expenditures and, in fact, providing major savings to government.

Instituting a policy of annual indexation, using Manitoba's current minimum wage of \$11 an hour as the base rate as per Bill 33, will not only fail to address the significant gap between the current rate

and what's needed to lift full-time workers and families out of poverty, but it will ensure that minimum wage is locked in at a rate that's significantly below the poverty line on a permanent basis. Annual indexation is only good policy if applied to a base minimum wage that's a living wage to begin with.

We're additionally alarmed by Bill 33's allowance for government to arbitrarily cancel minimum wage indexation at any time for any year. The bill makes no provision for the possibility of higher than inflationary increases, irrespective of the socio-economic needs of working families or our provincial economy.

But, inexplicitly, the bill allows Cabinet, at its discretion, to cancel indexation and freeze the minimum wage with a stroke of a pen, with no consultation with the public and no consultation with the Legislative Assembly. Not only is this government failing to do the right thing for hard-working Manitoba families, legislating the payment of poverty wages, but they're even giving themselves permission to do even less. They want to be able to strip away current purchasing power from our lowest paid workers and leaving minimum wage workers work off—worse off. That's shameful.

In lieu of meaningful increases in the minimum wage, the government has talked a lot about how—about somehow addressing poverty through tax reductions and specifically through increases to the basic personal amount. But the reality is that when compared with increasing the minimum wage, increasing the BPA provides significantly less benefit to minimum wage earners and does so at a major cost to the provincial Treasury, which ultimately puts downward pressure on the public services that low-income workers depend on disproportionately.

Approximately 80 per cent of the \$11.6 million in reduced taxation that resulted from this government's first indexation of the BPA will accrue to Manitobans earning more than minimum wage. On an individual basis, the average minimum wage earner will benefit by only \$17 for the entire year from the BPA indexation, far short of anything resembling—

**Mr. Chairperson:** Mr. Rebeck, you have one more minute.

**Mr. Rebeck:** —meaningful improvement. By contrast, a modest 50 cent increase would provide a benefit of \$742 for a full-time worker.



Bill 33 not only does nothing to address poverty in Manitoba or provide support to working families, working-poor families in our province, but it actually legislates the perpetuation of working poverty. We condemn this bill in the strongest terms and urge the government to amend its indexation plan to start from a living wage base. Let's make work a true path out of poverty.

**Mr. Chairperson:** We thank you, Mr. Rebeck, for your presentation.

Any questions from the committee?

**Mr. Cullen:** Thank you, Mr. Rebeck. Good to see you again, the second time today. I thank you for your presentation.

What we tried to do with the indexing formula, as some of the other provinces are going to, is to make sure that we're protecting the purchasing power of employees. We think that's important. We strike that balance as well versus sort of the taxation side, and you talked about some of the measures we're taking to improve that indexing.

But there's other taxation levels that are certainly important to Manitobans, and I'm wondering if you'd agree with the following statement: because a sales tax is a regressive tax which impacts low-income citizens more than those who are more well-to-do.

**Mr. Rebeck:** Well, I think the taxation side of this is—needs to be put aside. When we're talking about minimum wage, we need to ensure that employers aren't allowed to pay poverty wages.

Look, we can deal with the taxation side of the formula all we want, but poverty wages mean the government's going to subsidize those workers in some way, shape or form through other programs and services that they need to provide.

Our premise is pretty simple: if you work full time, you shouldn't have to live in poverty, and this minimum wage—this bill enshrines that they will always be working poor and in poverty, and that's why this bill needs to change.

**Mr. Lindsey:** Thank you, Mr. Rebeck, for your presentation.

The previous speaker talked about the bulk of people, at least in his industry, being kids just looking for part-time employment. Is that, in actual fact, who the majority of minimum wage earners are? *[interjection]*

**Mr. Chairperson:** Mr. Rebeck. Go ahead.

**Mr. Rebeck:** In the province of Manitoba, over two thirds of minimum wage earners are over the age of 20. So they are adults who are in the workforce. Over half of them have been at their job for more than a year and have not seen an increase.

\* (18:30)

So those—the statistics speak for themselves. People can keep repeating that it's kids living in basements, but that's not the reality that working families are facing, and the majority of the 30,000 working poor in our province earning minimum wage are adults.

**Mr. Lindsey:** Thank you for that. It's nice to see some statistics, not just some vague generalizations.

Do you know of any statistics in Manitoba that would talk about how many businesses went under because of previous increases in minimum wage?

**Mr. Rebeck:** Yes. I'm not aware of any businesses that have gone under citing minimum wage as their sole reason for that occurring. I don't know if such statistics exist. I suspect if they do, there's very few, if any.

Minimum wage earners spend every penny they earn, right back in the local economy, and often businesses that employ minimum wage earners receive some benefit, as well, when minimum wage goes up, and I worry that modelling often doesn't include that.

**Mr. Lindsey:** I'll just take this opportunity to thank you for coming out and presenting on this bill and saying some really sensible things that I hope the government is going to listen to about indexing isn't bad; it's where you start the indexing from. So thank you.

**Mr. Chairperson:** If there's no other further questions, thank you, Mr. Rebeck, for your presentation.

The next person on the list that's an out-of-town presenter is Ms. Michelle Gawronsky, president of MGEU, Manitoba Government and General Employees' Union.

Ms. Gawronsky, do you have any materials that you want to pass around?

**Ms. Michelle Gawronsky (Manitoba Government and General Employees' Union):** I do.

**Mr. Chairperson:** Okay. You might get them—someone to pass them.

You can proceed with your presentation, Ms. Gawronsky.

**Ms. Gawronsky:** Good evening, Chairperson and honourable members.

Again, my name is Michelle Gawronsky and, yes, I am the president of the Manitoba Government and General Employees' Union. I'm pretty sure everyone in the room knows that by now.

The MGEU is the largest union in Manitoba, representing over 40,000 Manitobans who deliver a wide variety of public services across the entire province. I'm here tonight to voice my concerns over Bill 33.

I'm trying to understand why the government is rushing this bill through and overlooking a number of misconceptions when it comes to minimum wage and who it affects. Bill 33 was given first reading on May 15th, last Monday; second reading on May 18th; and now here we are, May 23rd at the legislative committee. The government is racing ahead with changes that will lock full-time minimum wage earners into a poverty wage.

I certainly would have welcomed the opportunity to meet with government to discuss meaningful changes that would address minimum wage problems. In fact, should the government want to listen, I'm still more than willing to come down and talk to anyone about it.

The main issue the MGEU has with Manitobans' minimum wage is that we still continue to have families living in poverty, struggling to make ends meet. No one should be struggling to keep food on the table or clothes on their children's backs if they work a full-time job. Employment should be a ticket out of poverty, nothing less.

Tonight, you will no doubt hear a lot of statistical information regarding minimum wage and right now, I'd like to talk about a few statistics that stick out to me.

Sixty per cent of minimum wage earners are women. This, quite possibly, is one of the most troubling matters when it comes to the minimum wage. In 2017, when we continue to fight for gender equality and fair wages across the board, we continue to have more women living paycheque to paycheque.

Sixty per cent–66 per cent of minimum wage earners are over the age of 20. They're not students in basements. This is another shameful statistic. It breaks the myth that the majority of those earning

minimum wages are teenagers. In reality, those taking home minimum wage are actually working families that often face the choice of putting food on the table or paying a phone bill.

Fifty-three per cent of minimum wage earners work for large corporations, a hundred-plus employees. Far too often, we are told that minimum wage is something that only those working in small businesses face. That simply is not true and, once again, shows that unless government shows leadership, minimum wage earners will continue to struggle.

Forty-three per cent of minimum wage earners work full-time. It wasn't too long ago that my family would have fallen into this category. Can any of you imagine working a 40-hour workweek only to worry about how to pay the mortgage, buy your groceries, feed your kids, pay that hydro bill? This is a reality that working families live with daily.

Last year, when the Manitoba government froze minimum wage in the province, the Premier (Mr. Pallister) and Cabinet took a 20 per cent wage increase. This was a tremendous blow to those living on the poverty line, depending on that bump in the minimum wage. Bill 33 gives what I would call not even a minimal increase to those struggling to get by; 15 cents is hardly an increase. You're lucky if you can buy a candy at the corner store for that amount.

I strongly encourage this government to reconsider Bill 33 and pull it immediately. I would hope that we could all come to an agreement that working full time for a living shouldn't have you struggling to make a living. We all know that Manitobans earning money are spending money. It's common sense and good for our economy.

**Mr. Chairperson:** Thanks, Ms. Gawronsky.

Are there any questions for the honourable minister?

**Mr. Cullen:** Yes, thank you very much, Michelle. Good to see and thanks for making a trip into town and making your presentation.

In terms of consultation, we did send this legislation over to—the concept of minimum wage to the Labour Management Review Board for their input. We did hear back from them, for sure. We also, through our fairly extensive prebudget consultation—we had close to 20,000 submissions, some dealing with the minimum wage and different areas and different ways of looking at minimum

wage, and we also looked at what other jurisdictions were doing across the country in terms of the indexing formula. So there was certainly some extensive consultation. It did take a little bit of time to review our options, and maybe that's a little why—in terms of why the legislation didn't show up earlier.

But, in terms of taxation, I don't think we can turn our minds away from taxation, because whatever Manitobans make they're going to be taxed on it, and when the provincial sales tax was increased back in 2014, we saw food bank usage increase by 2.4 per cent. So it certainly appears that with increased taxation there's certainly an impact on poverty.

Any comments on that?

**Ms. Gawronsky:** Well, first of all, I'm not an economist; I'm not an accountant. I'm a mom and a grandmother who lived within minimum wage for a very long time. We raised our four children with it. So I know what the struggles can be.

As far as taxes again, my learned colleague, Kevin, said, you know, the taxes, I believe, are a piece that we would be able to discuss at another time. If you're looking at the taxes on 15 cents, the 15 cents is only going to hurt minimum wage earners. The tax on 15 cents certainly isn't going to help the government coffers. So perhaps there's a better way of being able to look at things and being able to consult with the folks that actually live within the minimum wage. I'm not sure how many folks you were able to get hold of if you did it through emails and through computer system, I would venture to guess that there are very few minimum wage earners that would've had the ability to be able to participate in your consultations that you did.

**Mr. Lindsey:** Thank you, Ms. Gawronsky, for showing up and presenting again some facts as opposed to general comments.

I guess I don't really have any questions. Your presentation really makes it very clear that 15-cent minimum wage increase is not going to be overly helpful to anybody that's on minimum wages.

Do you have a sense of what an appropriate increase would've been?

**Ms. Gawronsky:** Again, I'm not an economist, not an accountant. But, when I look at what the cost of living is, if you took the general cost of living and the increase to everything around us, if that was taken into consideration for the families that are

struggling, the single moms that are trying to raise two and three children be able to pay their rent, I think that might have been at least a start on where we go from there. Consult with Manitobans.

**Mr. Lindsey:** So it would be fair to say that you're not opposed to indexing of minimum wage. It's again where you would start indexing from to ensure that the base was sufficient so that minimum wage earners were actually able to get out of poverty and to live. Is that a fair comment?

\* (18:40)

**Ms. Gawronsky:** Yes, I agree with you there. I think if government would take a look at what would be a living wage, what would a normal family of four be able to live on. You know, they're not going to be going on trips to Tahiti or anywhere else. But, if they were able to make sure that they could meet their needs of their bills, be able to feed their families and clothe their families, and start there. And then, if you're looking at indexing, take a look at it after that.

**Mr. Lindsey:** Thank you, Ms. Gawronsky, and have a good night.

**Mr. Chairperson:** Thank you for your presentation, Ms. Gawronsky.

So now we'll go on to the next person from out of town, was Mr. Bob Moroz from the—as a private citizen.

Mr. Moroz, do you have any materials to hand out to the committee?

**Mr. Bob Moroz (Private Citizen):** I do not.

**Mr. Chairperson:** Okay. You can proceed with your presentation, Mr. Moroz.

**Mr. Moroz:** Good evening. I'm here this evening to stand in solidarity with the hard-working women and men of Manitoba and all working families. With nearly 30,000 minimum wage earners in our great province, we all must acknowledge that the current minimum wage in Manitoba is shamefully low. The current minimum wage freeze, as we've heard before, leaves full-time workers a minimum of \$400 behind where they were a year ago, when taking inflation into account.

In fact, it's been shown and discussed earlier this evening that minimum wage earners in Manitoba would need to see an approximate 40 per cent increase just to make it to the poverty line. No Manitoban or any other person in this world should

have to leave—live in poverty if they are working full-time.

The concept of minimum wage, in my view, was originally meant to apply to students and young people looking to earn some income to help them get that—get to that next level, perhaps pay for tuition, books and basic living expenses, et cetera, while pursuing more education to find that better job or career that would lift them out of poverty.

Instead, we know that most minimum wage earners are adults. We've heard before more than two thirds are over 20 years old. Most minimum wage earners are women. This clearly adds to the child poverty problem here in Manitoba. Most have been in that same position for over a year with absolutely no increase in their hourly wage. So, ladies and gentlemen, this is not clearly about weekend money for students; this is about living wages.

I am reminded of a story that I do love to share when I have a microphone in front of me. Not long ago, I had the opportunity to visit the friend of a friend who runs a very diversified agricultural operation. While touring this farmer's facilities, the subject of his workers came up. What was most fascinating to me was that this gentleman paid his young workers well above the minimum wage. When I asked him why on earth would he do such a thing, his response was absolutely at the very heart of the matter at hand this evening. His view was that if he was going to take the time to teach those workers how to do the job they were hired for, it only makes sense to provide an 'incentum'—incentive for them to stay and hopefully to return the following year.

By compensating his workers relatively well, he accomplished two very important things. He made this job more valuable to his employees. They're much more likely to put in the effort that he required, as opposed to leaving for a McJob as soon as the work there got difficult. Number 2, he instilled a loyalty in those workers who knew that they were earning a better wage than their friends who were, for example, pumping gas or flipping burgers.

This farmer intuitively knew that the value of treating his employees well—he has a significant amount of returning employers—employees year after year, thereby lessening the time and the costs associated with hiring new workers each year.

Ladies and gentlemen, this is the example we should be emulating across all industries that

commonly pay a minimum wage to their employees. Good jobs are the calling card of all political parties. However, good jobs are only good jobs if they lift those workers out of poverty. Indexing the minimum wage to an \$11-an-hour level will not help those workers get themselves out of poverty.

Bill 33 also allows government to unilaterally cancel this indexing with no consultation whatsoever either with the public or with the Legislative Assembly. With all respect, asking the working poor to trust me is a terrible strategy.

It's also been stated that societies are judged on the basis of how they treat their most vulnerable. By legislating that more than 30,000 Manitobans will continue to live in poverty despite working full-time hours, I feel that as a society we stand to be judged very, very harshly. I therefore call on this government to halt Bill 33, and implement instead a strategy that provide all of our fellow Manitobans a path out of poverty.

Thank you.

**Mr. Chairperson:** Thank you, Mr. Moroz, for your presentation.

Now will the committee be ready for questions, and I call on Minister Cullen for his question.

**Mr. Cullen:** Thank you, Mr. Moroz, for your presentation tonight.

Your comments about keeping employees here,, that really stuck—struck a chord with me. And it does that because we're trying to keep Manitobans in Manitoba working. And we talk about basic personal exemption, and that's the threshold where people start paying tax. In Saskatchewan, it's over \$14,000 before people pay any tax at all. In Manitoba, it's around \$9,000. And the previous government never ever indexed that basic personal exemption. Any thought why a government would not do that?

**Mr. Moroz:** Well, thank you for the question. And, no, I can't speak for any previous governments. When we're speaking of exemptions, the biggest issue in my view with exemptions are that it applies to everybody sitting around this table, myself included, who stand to benefit a great deal more from certain exemptions than the folks that we are discussing here and this evening in terms of those making \$11 an hour, and possibly \$11.15 if they're lucky.

**Mr. Lindsey:** Thank you, Mr. Moroz, for coming tonight and talking to us.

Just a quick question on your thoughts. If we were to accept some previous presenters' thoughts that it's, you know, first-time workers, kids, but this government has decided to allow tuition to go up by index-to-inflation, plus 5 per cent. What are your thoughts on that as opposed to minimum wage that's only supposed to go up by inflation?

**Mr. Moroz:** Well, thank you. That is a very difficult concept to register. To think about the cost of improving your educational level, on one hand going up at least by, as you say, the cost of living inflation, plus at least 5 per cent, but there's no possible way that during my studies that I can earn more than my \$11.15, and if I'm really lucky; maybe it'll go up to \$11.30 in the near future. The gap widens.

So it's very difficult to explain to young people that I come in contact with, whereas the cost of me improving myself and improving my chances of getting ahead in this world are going up, but the ability for me to actually pay for that opportunity, whether it's, you know, through tuition or all the costs that go into an education, it's a very, very difficult mathematical formula that—I'm no mathematician, but it seems to be a little bit unbalanced in my view.

**Ms. Cindy Lamoureux (Burrows):** Thank you for coming out this evening. I really liked the perspective you took on it, bringing us back to the original concept of who was minimum wage really created for, and I think you're right when you talk about perhaps it was part-time students living in basements of their parents' homes. But, statistically, we know that that's not the case; it's not what's happening right now. Were you consulted with, or were you aware of this online survey, was it, that was taking place prior to this bill being implemented?

\* (18:50)

**Mr. Moroz:** I was not necessarily aware of it. The simple answer to your question is, no, I was not aware.

**Mr. Lindsey:** Thank you, Mr. Moroz, for coming out and answering questions and putting some heartfelt thought into what you had to say and hopefully the government will listen.

**Mr. Chairperson:** Mr. Moroz? Okay, well, thank you very much for your presentation and your answering these questions. Thank you very much.

Okay, we'll go to the top of the list of presenters and the next person on—No. 1 on the list is Molly 'Mcraker'—McCracken, a private citizen.

Sorry, your pronunciation your name is—

**Ms. Molly McCracken (Canadian Centre for Policy Alternatives):** Molly McCracken.

**Mr. Chairperson:** McCracken. Okay. Ms. McCracken, do you have any materials? Yes, you do, okay. You—please proceed with your presentation.

**Ms. McCracken:** Thank you so much for having me this evening.

I'm the director at the Canadian Centre for Policy Alternatives, Manitoba office. The Canadian Centre for Policy Alternatives is a non-profit charitable research institute, active nationally since 1980 and in Manitoba since 1997. Our mandate is to produce academic, peer-reviewed research on a wide range of public policy issues of importance to Manitobans and I am pleased to provide this submission as the director and I recognize we are on Treaty 1 land in the heart of the Metis homeland.

Increasing the minimum wage is an essential tool for government to protect our society's lowest income earners. The base must be raised above the poverty line and indexed at that point. Index minimum wage at the current rate of \$11 an hour leaves earners \$8,000 below the poverty line. My submission is on three aspects: adequate minimum wage is in the public interest; No. 2: minimum wage increases do not harm the economy; and No. 3, I have some recommendations.

On No. 1: adequate minimum wage is in the public interest. Research shows that poverty and low income have damaging effects on the mental and physical health of individuals and families. Inadequate income leads to poor health outcomes. As researchers have found, and I'll quote: Income provides the prerequisites for health such as shelter, food, warmth and the ability to participate in society. Living in poverty can cause stress and anxiety which could damage people's health and low income limits people's choices and mitigates against desirable changes in behaviour. As health spending is the largest budgetary expense for the Province, the minimum wage policy should reflect what is in the best interest of population health and well-being.

Increasing the minimum wage above the poverty line should be a priority of the provincial government based on the Manitoba Poverty Reduction

Strategy Act and the poverty reduction and social inclusion strategy.

Our office co-published *The View From Here: Manitobans call for a renewed poverty reduction strategy with the Canadian Community Economic Development Network* in 2015. This is the second edition of this community-based strategy that draws on the experience of people living in poverty and those serving those who are living in poverty and it was endorsed by over 100 organizations. It includes nine priority areas, including income security, and in reference to the minimum wage, this report recommends incrementally increasing the minimum wage per hour to the low-income cut-off before tax for one-parent-one-child households by 2020 and indexing it annually to the LICO-BT. This should be done within a comprehensive strategy with outcome-based targets and timelines to end poverty in Manitoba.

As you know, Manitoba has a shameful problem with child poverty, the highest in Canada in 2016 at one in every three and a half children living in poverty according to Campaign 2000. Children are poor because their families are poor and working poor suffer under inadequate minimum wage.

And I have a meme here with some key stats that have already been mentioned, but you can review them there. According to provincial data, 38,600 Manitobans worked for minimum wage in 2015 and minimum wage also has an impact on low-wage workers, 73,700 live—earn above 10 per cent the minimum wage. This is about 18 per cent of all workers. Who are these Manitobans? These are people we all rely on every day, such as retail store workers, building cleaners and food service workers. We know low wage work is precarious. Research shows that hours of work are unreliable; service jobs require—are required to make ends meet with no benefits or unpaid time off, and these are members of our community that our struggling, which impacts their health and well-being.

Minimum wage policy, as it stands, is leaving people behind. The 2016 budget failed to signal even an inflationary increase. That means that earners earned \$400 less in 2016-17 due to rising cost of living. The current proposed increase of 15 cents would result in \$312 earned this year and does not make—even make up for the lack of increase last year.

Minimum wage is the legal floor at which employers must pay workers and is a direct policy

tool for improving wages. Compare this to the personal income tax exemption. The Province increased the personal income tax exemption; it only resulted in \$16 more in the pockets of people in 2016-17 and \$15 in the pockets of lowest income people in '17-18. This is a loss of \$26 million in the past two years to the provincial Treasury through forgone revenue from taxes, because we all receive more taxes back from this income tax exemption, and there's no plan to replace this lost revenue to the Province.

My second point: Minimum wage increases do not harm the economy. If we look over time and across Canada, increasing the minimum wage does not result in job losses. Economists Jordan Brennan and Jim Stanford did a comprehensive review of all provincial minimum wages and employment changes from 1983 to 2012. They found no consistent evidence that minimum wage affects employment levels. They found that employment, job loss and creation are determined by larger economic factors, not minimum wage policy.

Economist David Green finds the benefits of raising British Columbia's minimum wage to \$15 an hour through a series of pre-announced stages has benefits that far outweigh the likely costs. Claims that such an increase will lead to massive job losses in low-wage sectors of the economy are not credible, says Green, as the large job-loss impacts predicted by some opponents of minimum wage increases misrepresent the existing economic research.

Green writes, in reading and using that research, it is important to recognize that estimates showing job-loss effects on minimum wage increases apply only to teenagers. Estimated effects for all young adults and adult workers range from insignificant to non-existent.

And we can look to British Columbia in 2011; they made a 28 per cent increase to the minimum wage to pet—catch up for 11 years of a freeze to the minimum wage. This did not result in job losses for adult minimum wage earners. And for those 15 to 24, employment declined slightly, only by 1.6 per cent. Interestingly, over the same time period, the number of young people 15 to 24 who became students increased by 1.1 per cent. So we can presume that, likely, minimum wage earners, young people, returned to school, which improved their earnings in the long run.

I need to note here that it's important that young people struggling with rising tuition costs would also

receive an increase to the minimum wage. There should be no two-tiered minimum wage, and this is discriminatory. Okay. Two-tiered minimum wage is discriminatory, and it is based on the type of work and in some—as it is based on the type of work or, some instances, age.

When considering where to locate or if to relocate in Canada, businesses take into account many factors, including the cost of inputs, goods, utilities, insurance and labour. Low-wage employers dominate service sectors such as restaurants and realtors and must stay close to the consumers that support their businesses. Minimum wage does not result in business flight.

Economic development relies on consumer spending. Higher wages feel—feed back into stronger demand and more jobs. Minimum wage earners spend in the local economy on basic goods and services, not abroad. A higher minimum wage is good for businesses, leading to lower turnover rates, reducing costly searches to fill positions, training costs and employee turnover.

Number 3, recommendations: Based on research in *The View From Here* and *Make Poverty History*, Manitoba's priority policy areas for action, we call on the provincial government to, No. 1, increase the minimum wage to the low-income cut-off before tax measure, \$15.53 in 2014 dollars, through a series of pre-announced steps by 2020 and then indexed to the LICO-BT; not introduce a two-tiered minimum wage; develop a comprehensive strategy to end poverty in Manitoba with targets and timelines, and this should include a jobs-and-training strategy for those who are able to work for pay; and No. 4, continue to make data on minimum wage earners publicly available on an annual basis such as the profile of minimum wage earners compiled by the Labour Management Review Committee.

Thank you.

**Mr. Chairperson:** Thank you, Ms. McCracken.

Just want to—before we continue, we—as you had been registered, we have you registered as a private citizen, but meanwhile you sent—you gave us—the committee—you're representing the Canadian centre of policy alternatives, and you sent the materials out—

**Floor Comment:** When I called, the Clerk told me that I could—

**Mr. Chairperson:** Ms. McCracken.

**Ms. McCracken:** —oh—that I could speak and mention where I'm working, and we also have another person from our office speaking tonight. They registered to the name of our organization when—that's what the Clerk told me to do.

\* (19:00)

**Mr. Chairperson:** You also—and, Ms. McCracken, you also sent your information out based on your organization, too, so that's why we want to clarify so that—

**Ms. McCracken:** Okay. It's my first time presenting, so—

**Mr. Chairperson:** Okay, sure.

Is it—will to—the committee to agree to have her presenting the same materials—representing the Canadian centre of policy alternatives? *[Agreed]*

So go ahead. We'll start with questions, and we'll have the honourable minister ask you the first question.

**Mr. Cullen:** Thank you, Ms. McCracken, for presenting tonight. We do appreciate your presentation.

I will say that we're not looking at any further tiering of indexing outside of what's there, in turn—in—tiers of minimum wage outside of what's already there. So I appreciate that comment.

I wonder—we talked, and you raised the basic personal exemption in your presentation, and, clearly, there's a variation across the provinces. I know I referenced Saskatchewan—over \$14,000, before people started paying tax; here, it's in that \$9,000 range. I know last year the government indexed that for the first time in a long time, and it took about 2,200 Manitobans right off of the payroll.

I wondered if your organization has done any research in terms of, you know, the variation in minimum wage versus the variation in the basic personal exemption and actually how much money people actually keep in their pockets.

**Ms. McCracken:** I wrote a three-pager on that that I'm happy to share with you. So the lowest income earners, including minimum wage people, received just \$16 back on their taxes; by just an inflationary increase to the minimum wage, which didn't take place last year, it would have put 400 more dollars back in their pockets.

So, as you go up the deciles of earners, middle and upper earners make way more back on the basic personal exemption—between \$350 and \$550 that's saved in their taxes—and that's foregone revenue that Manitoba's not replacing. We're not raising taxes in any other area, although you could do that. And we're a different province than Saskatchewan. We have different resource sectors. We don't have potash, for example. So I don't think we should have a race to the bottom in terms of comparing ourselves with our neighbour. We are unique, and we need made-in-Manitoba solutions to deal with our challenges.

We have the highest child poverty rate in Canada, persistently, and that is a serious problem, and we need revenue—targeted revenue redirected back through a poverty-reduction strategy to deal with it. And that's why we're concerned that the basic personal exemption got rid of revenue to the province, and there's no plan to replace that, and we're going to—you know, there's already program cuts that are taking place.

**Mr. Allum:** Ms. McCracken, thank you so much for coming out tonight. It's been quite educational, I think, for all of us around the table tonight.

I'm curious about your very good recommendations at the end, that talks about increased minimum wage to the low-income cut-off before tax measure or LICO-BT.

Could you just give us a quick 60-second overview of LICO versus Market Basket Measures versus LIMs? Help us to understand which of those is the best gauge or measure for us to utilize as we think about these issues.

**Ms. McCracken:** Certainly. There's a number of measures and they all do different things. And, for the view from here, because we were comparing back a number of years, we were using the low-income cut-off before 'taskes' wages are earned and then you get taxed on them; that's why I used before tax. And so that's why that was framed and also connected to the actual cost for a single parent with one child—so they no longer live in poverty, because nobody working full time should be earning a poverty wage.

So, certainly, we could have—I think all the measures have different purposes and, in this instance, we used the LICO-BT—so.

**Ms. Marcelino:** Thank you, Ms. McCracken, especially for that explanation that indexing the

earnings—the annualized earnings for low income only gave them \$16 a year benefit versus those who have higher incomes, got more than \$500 benefit; whereas a minimum wage would give them \$400 more in their pocket.

Our colleagues across the way are touting the beauty of indexing the—their—the salary, or removing 22,000 from tax rolls, when those 22,000 only got \$16 a year versus if they had increased minimum wage last year, those people would have gotten \$400. Thank you for pointing that out.

**Ms. McCracken:** They're out of scale, the two approaches.

**Mr. Chairperson:** Okay, time's—the time is up for the question, for five minutes.

So we'll call on the next presenter. Thank you, Ms. McCracken.

The next person that's—is the second person on the list is Josh Brandon, and he—from Make Poverty History Manitoba.

Mr. Brandon, do you have materials to pass around to the committee members?

**Mr. Josh Brandon (Make Poverty History Manitoba):** I do.

**Mr. Chairperson:** Okay, we'll get someone to pass them.

Okay, you can proceed with your presentation, Mr. Brandon.

**Mr. Brandon:** Good evening. My name's Josh Brandon. I'm the chair for Make Poverty History Manitoba. We're a coalition of groups and individuals including labour, faith groups, anti-poverty groups, business community and the general public working in Manitoba to end poverty.

And I'd like to thank the minister and the committee members for the opportunity today to present on Bill 33, The Minimum Wage Indexation Act.

Minimum wage for our members, and we did a consultation of over 100 community groups, looking at what are the top issues to address in developing a comprehensive poverty strategy, and minimum wage was one of the top issues that our members wanted to see addressed. And so we're really thankful for the opportunity to present here today and we have some serious concerns about this bill that I'll be presenting today.



Setting minimum wage standards is one of the most important levers that the provincial government has to ensure that fair and adequate wages are paid to all workers, including the most vulnerable. Government has a responsibility to set a fair and right balance between fair wages that ensure an adequate standard of living for all workers, and a predictable and equitable labour market for employers.

This legislation does not strike that fair balance, but instead will entrench minimum wage at a low level that will keep workers in poverty. Workers will see their purchasing power stagnate as a result of this legislation, and at times of recession when workers need help the most, these standards will decline as wages are frozen. Moreover, the relative compensation for minimum wage workers will decline, increasing relative poverty among this group, compared to Manitobans as a whole.

And, finally, this legislation goes too far in extending the powers of the Lieutenant Governor-in-Council to make exceptions to the application of minimum wage.

Others today have made presentations detailing the composition of minimum wage workers in Manitoba. We know they are mostly adults, mostly women, largely work not at small businesses as sometimes the myth portrays, but at companies with a hundred or more employees. This is important to note since many minimum wage workers are the primary income earners in their household.

At Make Poverty History Manitoba, we calculated it would take an income of \$15.53 per hour in 2014 to lift a single parent with one child above the LICO before tax cut off. This means that a minimum wage worker full-working full time would have an income more than \$8,000 below the poverty line for a family of two. Because LICO increases each year at the same rate as CPI, this legislation will entrench the minimum wage as a poverty wage in Manitoba.

If we look back historically, minimum wage in recent years has increased faster than CPI over the period 1998 to 2015 through three different premiers and different governments, and during this period it increased at a rate of approximately 4 per cent per year on average, and that's more than double the rate of CPI. But, even with these increases, the minimum wage remains far below the poverty line, so now is not the time to take a pause on increasing the minimum wage. Instead, we need regular planned

increases at a rate above CPI for several years to lift the minimum wage above the poverty line.

\* (19:10)

If, over this period—in fact, if we did the calculation back—if this legislation had been in place since 1998, for example, if wages had increased at the rate mandated by this legislation, minimum wage today would only be \$7.40 per hour. That's over \$3.60 lower than the current minimum wage and would have cost workers as much as \$7,000 annually, compared to what they currently earn. This is an indication of the dramatic effect this legislation could have in the long term. And in your—in the copy that I circulated, I gave a chart explaining that. Aside from starting at a—too low a base, using the CPI as an inflator will actually intensify relative poverty in Manitoba.

Over the past 18 years, median wages have on average risen more than 1 per cent faster than the CPI, a cumulative difference of over 30 per cent. Every generation of workers in Manitoba is more productive than the previous one, so average incomes do tend to increase faster than the rate of inflation. So this shows that this legislation would leave minimum wage workers further behind, increasing inequality in this province.

Studies show that relative inequality is an important social determinant of health. Again, this legislation will take Manitoba in the wrong direction.

We are pleased that this government has so far maintained minimum wage as a based floor for all branches of the labour force and not introduced a two-tier system for young workers or for lower wage servers in the hospitality sector as some other provinces have implemented. Where two-tiered minimum wages have been introduced, they've been a disaster for workers. Servers do not always have reliable access to tips, and many young people find themselves trapped in substandard wage environments. These are not policies we should import into Manitoba.

We do support government setting higher standards for some classes of employee such as security guards, as is currently authorized under the act. But we hope that minimum wage will continue to be set as a floor for all workers.

In this regard, we do express concern that the language in this bill under section 5(1) extends the power of the minister and council to establishing rules respecting the application of minimum wage

provisions. While the intent may not be to create a sub-tier minimum wage at this time, we are concerned that this provision could be used in the future to deny the protection of minimum wage legislation that should be enjoyed by all workers as a minimum protection.

Given the problems with this legislation, we hope that the government reconsiders the legislation and sets minimum wage at a level above the poverty line before implementing indexation. In the meantime, the Province should implement planned incremental increases to raise the minimum wage above the poverty line to bring all Manitoba workers above the poverty line.

Thank you.

**Mr. Chairperson:** Thank you, Mr. Brandon, for your presentation.

Do any members of the committee have any questions for the presenter?

**Mr. Cullen:** Yes, thank you, Mr. Brandon, for your presentation—certainly appreciate it.

And I know when it comes to poverty rates in Manitoba, we certainly have a lot of work to do. And we certainly look forward to continuing that dialogue for sure.

I just wondered: In terms of your analysis here, did you—and really purchasing power is about after-tax dollars, so did you have a look at comparisons relative to—Manitoba relative to other jurisdictions?

**Mr. Brandon:** Well, we know that poverty in Manitoba, depending on how we measure poverty, is—in every respect is unacceptably high. In some indexes it's—it shows as being the highest rates of poverty.

We know that Manitoba needs to do much more to reduce child poverty, in particular, and we know that many Manitoba workers have children—minimum wage workers have children, and so this would be a really important way that Manitoba could reduce child poverty that we know is unacceptably high in this province.

**Mr. Lindsey:** I've got three questions, but I'm going to roll them all into one for you.

From your position at Make Poverty History, do you believe that people living in poverty, their children have worse educational outcomes? Do you believe that people living in poverty have worse health outcomes? And do you think this particular

15-cent-an-hour raise in minimum wage will help any of those outcomes get better?

**Mr. Brandon:** Thanks so much.

We know that relative poverty is a really important indicator of—social determinants in health. And so that means that, if you're working below the poverty line, you're going to have less access to health care, you're going to have less access to education. We know that workers living in poverty are suffering the consequences of that right now. And what this bill does is actually increase those—that relative inequality and it fixes the minimum wage at a poverty wage, and so that's unacceptable.

We need to do more to increase minimum wage above the poverty line and not set it as a poverty wage in Manitoba.

**Hon. Scott Fielding (Minister of Families):** Thank you very much for your presentation. And I appreciate your passion and—especially about this topic. I know you're your passionate about the minimum wage.

My questions are kind of related—as you mentioned, kind of keeping more money in people's pockets. The government has made substantial progress. I think you agree with things like not clawing back the CCB, increasing Rent Assist by upwards of \$636 million in this past budget, and taking, as the minister had mentioned, about 2,100 people off the tax rolls altogether with the basic personal exemption.

So could you comment of how you think that plays a role in terms of the—like, is that a positive aspect, do you think, for the amount of people that are living in poverty?

**Mr. Brandon:** Certainly, government programs like Rent Assist, the federal Canada child benefit, are really important supports for low-income families. But I think all Manitobans would agree that the best route out of poverty is through a well-paying job, and we need to do more to ensure that all jobs in Manitoba will pay enough to get workers out of poverty.

You mentioned the increase to the basic personal exemption. In some provinces it is much higher than in Manitoba, but even a \$4,000 increase in the basic personal exemption to bring Manitoba workers up to the level of where they would be in Saskatchewan, for example, would actually only increase the incomes for a low-wage worker in Manitoba by \$68.

And you know, that's only enough for a few days' food for most families.

On the other hand, that would cost the province over \$300 million. And I think, if your government is able to find \$300 million in the budget, I think here at Make Poverty History Manitoba, we could think of a lot of priorities that could be put forward towards spending that for reducing poverty that would be more effective.

**Mr. Chairperson:** The five minutes is up, Mr. Brandon. So, unfortunately there's more questions here. But thank you very much for your presentation, and you're answering these questions. Thank you.

Sorry, Mr. Brandon go ahead.

**Mr. Brandon:** Thank you. I'd be happy to answer any questions you have at another time.

**Mr. Chairperson:** Okay, thank you.

Okay the next presenter is—on—No. 3, Jonathan Alward. He's from the Canadian Federation of Independent Business.

Mr. Alward do you have any materials to hand out to the committee?

Please proceed to your presentation, Mr. Alward.

**Mr. Jonathan Alward (Canadian Federation of Independent Business):** Thank you, and good evening, everyone. On behalf of the Canadian Federation of Independent Business, thank you for the opportunity to present the small business perspective on Bill 33, The Minimum Wage Indexation Act.

For those of you who may not possibly know yet, my name is Jonathan Alward, and I am Manitoba's Director of Provincial Affairs at CFIB. And at CFIB we are passionate about small business because of their massive contributions to our economy and employment in our communities. We believe the small businesses deserve a strong voice in government decisions, and CFIB provides a reasonable, credible, and effective way for small businesses to participate in our political process, just like big businesses and unions do.

\*(19:20)

CFIB represents 109,000 independently owned and operated businesses across Canada, including 4,800 right here in Manitoba. We're strictly non-partisan, non-for-profit organization, and our members are located in every region of the province

and in sectors that closely mirror the province's economy.

Every CFIB policy position is set by direct feedback from our members through accurate and regular surveys, which operate under a one-member, one-vote system. Our views are strictly based on the results of these surveys, so it is with great confidence that I can present here, on behalf of our 4,800 members, and express their concerns and, therefore, opposition to bill—excuse me—Bill 33.

Improving the lives of low-income earners and their families is a laudable goal that we all agree on. However, the real question is: what are the best ways to assist low-income earners? Increasing the minimum ways—minimum wage, as others have mentioned before, is a blunt tool and one of only—excuse me—only one of many tools that policy-makers have available to help improve the lives of low-income earners.

Indexing the minimum wage to inflation, like Bill 33 proposes to do, does not accomplish this goal. While indexing the minimum wage to an economic indicator is an easily accessible tool for governments, entrepreneurs worry that this approach assumes affordability for their business and does not reflect current economic conditions.

The overwhelming majority of small-business owners already pay well above the minimum wage, as others have mentioned here before, as they weigh the education, experience and skills of their employees against their company's ability to pay. However, we know that Bill 33 hits small businesses in the retail and hospitality sectors the hardest. For those who say minimum wage hikes don't have a negative impact, they should talk to the owner of their favourite local restaurant or grocery store. We're not talking about multibillion-dollar nationals that can absorb the cost; this is about your neighbourhood hardware store, your florist and your local hairdresser.

A recent CFIB survey found that there are no serious economic consequences that hit those who are supposed to benefit from the minimum wage hike. Forty-three per cent of Manitoba's small-business owners were forced to raise prices of their products and 'servitives'—excuse me—products and services. Thirty-five per cent of owners had to reduce the hiring of youth and/or inexperienced workers. Twenty-two per cent had to reduce the hours of their staff, and another 22 per cent had to reduce their

number of employees, and, importantly, one quarter of all owners were forced to delay expansion plans.

Given the significant negative impacts experienced by small-business owners in Manitoba, entrepreneurs have outlined which policies work well to help low-income earners while mitigating impacts on business.

CFIB has always advocated for governments to focus on more practical and effective ways to help low-income earners. When surveyed, the majority of small-business owners believed that the best ways for government to improve the standard of living for low-income earners were through tax and training measures. These are aimed at helping employees keep more of their hard-earned—excuse me—keeping more of their hard-earned money and improving opportunities for advancement out of these often stepping-stone jobs.

The Manitoba government must adopt a common sense approach that is part of a strategy that will truly assist low-income earners, such as providing income tax relief, ensuring that low-income earners keep all of their earnings. Why not ensure a minimum wage earner—why not ensure that minimum wage earners can pay no income tax at all?

Eighty-one per cent of Manitoba's small-business owners supported reducing personal income tax rate for these low-income earners. And another 71 per cent supported increasing the basic personal or spousal exemptions for Manitoba's low-income earners.

These results are not surprising when looking at the taxes facing Manitoba's low-income earners. The government took a positive step when they indexed the basic personal exemption and personal income tax brackets to inflation. But Manitoba's 2017 BPE of just \$9,271 still lags well behind the national average. By contrast, as has been mentioned here, workers in Saskatchewan can claim over \$16,000 this year before they start paying taxes. The Premier (Mr. Pallister) has committed to increase the BPE to the national average, or roughly \$11,000, but more can and needs to be done.

Additional policy tools that were supported by small-business owners include increasing tax credits for low-income earners, encouraging and rewarding workplace training by improving the skills sets for low-income earners.

Forty-nine per cent of small-business owners supported investing in training for low-income

earners to upgrade their skills, and low-income earners who want to upgrade to better paying positions should be given the opportunity to do so. And we believe that small businesses should be given more assistance to provide additional workplace training.

And, to achieve these goals, we've recommended two separate tax credits. One would be introducing a tax credit payable to employers and one would be introducing one payable to employees to help accomplish these goals.

When you look at the least effective ways, small-business owners have outlined that introducing moderate, regular increases to minimum wage, kept in line with consumer prices, such as Bill 33 proposes to do, was only supported by 27 per cent of Manitoba's small-business owners. While indexing the minimum wage to an economic indicator is an easily accessible tool, as mentioned, it's important to reiterate that relying on trailing indicators, as this bill proposes to do, does not reflect the current market conditions and assumes affordability every year.

We're also concerned that a decision to automatically index the minimum wage will essentially give a green light to an annual minimum wage hike regardless of what is happening in the economy. What is more frequently cited reason for increasing the minimum wage is often how to help low-income earners, but a recent editorial said it best: indexing the minimum wage is not the best way to help low-income earners. Rather than trying to manipulate wage rates, the government should focus on allowing workers to keep more of what they earn. And we certainly couldn't agree more.

Introducing a significantly higher minimum wage rate—at least \$2.50 per hour—was only supported by 3 per cent of our small-business-owner survey. So clearly, small businesses understand that minimum wage increases often have laudable intentions. However, there are often serious unintended consequences to these actions. That is why only 10 per cent of Manitoba's small-business owners agree that the government-mandated minimum wage increases are the best way to increase employment and wages for low-income earners.

Consequentially, entrepreneurs have outlined several policies that provide more effective yet less harmful ways for government to help assist these low-income earners. If the Province moves forward with minimum wage increases, CFIB has called on

the government to introduce measures to help mitigate the negative impacts of the annually indexed minimum wage, such as introducing a training wage for inexperienced workers, similar to what's happened in Nova Scotia, or a gratuity wage for workers who earn tips, similar to British Columbia and I believe Ontario.

Over 22 per cent of workers earning minimum wage are in the accommodation and hospitality sectors and many of these workers earn tips, so a gratuity wage to help balance the fact that many are earning much more than minimum wage would be helpful. A training wage would help offset some of the costs associated with new worker training and turnover. As one small-business owner said: I wish we had training wage, perhaps for one to three months, as many students have never worked before and need a lot of training before they can be productive. Not surprisingly, 81 per cent of CFIB members agreed that most employers should have the option to pay for training wage to employees with no experience.

Given the shortcomings of minimum wage policy, it's important to stress that no government should consider increasing the minimum wage until it's exhausted its ability to help low-income earners through tax relief and training initiatives, especially for key sectors affected by minimum wage policy, such as the accommodation and food services and retail. However, if governments choose to make adjustments to the minimum wage, CFIB urges them to evaluate further changes and minimize the negative impact on the employees and the employers. Governments must demonstrate that they consider all alternatives prior to increasing the minimum wage policy and be required to provide written documentation and publicly release it.

Again, improving the lives of low-income earners and their families is a laudable goal that we can all agree upon. However, to answer the question—

**Mr. Chairperson:** Mr. Alward, you have one more minute.

**Mr. Alward:** —what are the best ways to assist low-income earners, it's clear that increasing the minimum wage is a blunt tool, while many better tools are available to help policy makers improve the lives of low-income earners.

Small-business owners understand that there are better alternatives to minimum wage increases, so as

CFIB always advocated for the government to focus on more practical—excuse me, practical and effective ways to help low-income owners such as providing additional tax relief and improving training opportunities.

As the big voice for small businesses in Manitoba, CFIB will continue to be a strong advocate for the fair treatment of small businesses and the effective policies to help them succeed and grow and we look forward to seeing changes necessary to Bill 33 before it receives royal assent.

Once again, thank you for the opportunity to present this evening.

**Mr. Chairperson:** Thank you for your presentation, Mr. Alward.

There's a five-minute question period, so Mr. Lindsey—oh, first Mr.—the honourable minister. Out of the corner of my eye, here.

**Mr. Cullen:** Thank you, Mr. Alward, for your presentation tonight and thanks for correcting my error, I didn't realize Saskatchewan was up to \$16,000 in basic personal exemption before people start paying tax. That's pretty disturbing, that's a \$7,000 difference there before individuals start paying tax, so clearly we have some catching up to do there. In terms of—I know a recent survey that CFIB had showed Manitoba business had the—in terms of business optimism, was the most optimistic across the country and that's certainly exciting for us. I guess maybe that reflects the 6,000 net full-time jobs that Manitobans have created since the first of the year. That's also pretty exciting.

\* (19:30)

I just wondered how important creating the right foundation is. As far as from a government perspective, I think it's our goal to create a foundation for business and then business can help attract employees that way. And, clearly, minimum wage plays a part of creating that foundation.

Any comments on creating the right foundation?

**Mr. Alward:** I certainly appreciate that. Those business barometer stats that you're referring to are from earlier in the year, I believe in January, and it's actually decreased slightly the last three months, although, to be fair, the next one is coming out very soon, and we're optimistic that there's going to be a rebound. Still, it's still much better than it was this time last year.

But all that said, it is really important to lay those foundations. And, as you mentioned, the basic personal exemption is a perfect illustration of that. We have a long way to go before we can get to where Saskatchewan is. And we think it's important to take those steps to get there now before looking at new policies that are going to have a detrimental impact on the business community, like increasing the minimum wage.

**Mr. Lindsey:** Thank you, and welcome yet again, Mr. Alward. I have some questions about, again, your statistics that you present. You claim that 43 per cent of Manitoba small-business owners—but, in fact, that's really 43 per cent of your members that responded to your survey, is that correct?

**Mr. Alward:** It would have been based on 43 per cent of the respondents to the survey. Again, if you look at the numbers that we have—and certainly what we do nationally, they're very consistent, over 7,000 responses nationally—we think that they're very, very accurate and indicative of the economy. And, certainly, Statistics Canada and other organizations have reiterated that. Even the federal government used our economic indicators in their latest budget to certainly add validity to those measures.

**Mr. Fielding:** Yes, question. With your—I know your membership, you guys do a lot of research on not just tax policy and everything else, from your evaluation, a part of the—legislation that's a part of here, would a increase in the PST—how would that impact low-income families? Can you give a comment just in itself of how that may impact things, if you're looking at a basket of good and making sure that low-income Manitobans have more money simply to spend? I don't know if you've got some comments you could make on that.

**Mr. Alward:** Thank you for the question, and I don't have the statistics right here in front of me. I can certainly get those for you.

An overwhelming majority of small-business owners opposed the PST increases when they came in. And in no small part this is because of the impact it will have on their business, their employees, that really filters through not only is disposable income down because of this, but not every business can certainly increase their prices to compensate for that, and as a result there are definitely some economic consequences.

**Mr. Lindsey:** Mr. Alward, you talked about creating a tiered system where people that get tips would get a different minimum wage.

What percentage of your members that own restaurants keep a portion of employees' tips as an administration fee or any other scheme that they come up with?

**Mr. Alward:** To be completely honest, I don't know the answer to that. I can certainly give you the stats to show how many of our members are in the retail and hospitality sectors. I have the documents here, actually, if you want to see, and they very much so had more significant concerns than a lot of other businesses that are paying higher wages, say, in manufacturing, for example. I have them available here if you'd like a copy.

**Mr. Chairperson:** Okay, well, thank you very much. The question period of five minutes is up, and want to thank you, Mr. Alward, for your presentation.

Okay, next person on the list is, No. 4, is Darcy Penner, and he's with the Canadian Community Economic Development Network.

Mr. Penner, do you got any present—material for the committee?

**Mr. Darcy Penner (Canadian Community Economic Development Network):** Just my remarks.

**Mr. Chairperson:** Okay, Mr. Penner, go ahead. You can proceed.

**Mr. Penner:** Thank you, and thank everyone from Mr. Chair for having me to present here today.

My name is Darcy Penner. I'm with the Canadian Community Economic Development Network. We are a national 'network' with over 100 members here in Manitoba, and our members comprise of co-operatives, non-profits, social enterprises and other individuals that are all working towards community economic development in some capacity, concerned with inclusive communities and inclusive economies and as well as with sustainability.

And our members know, working particularly in low-income neighbourhoods, the importance of work as a means of achieving prosperity as well as achieving community health. A lot of our members' work goes towards supporting folks, low-income folks, so they are able to access employment. But for

employment to be a vehicle out of poverty, which is the motivation that we generally come at these supports with, it must pay above the poverty line.

So, as a result, we have three separate areas that we are putting—supporting policy in this, working with our partners with The View From Here and as a member of the Make Poverty History of Manitoba coalition, as well as a policy resolution on our books that's collectively passed, seeking to see minimum wage at a level for a single-parent and single-child household to be above low-income cut-off.

This bill, Bill 33, as it is currently written, means that, for many, employment will not be a means of escaping poverty, and that employment will mean that they remain within poverty.

And to be brief—so, to summarize, our organization welcomes the increase in—the legislated increase to the minimum wage, and we welcoming the indexing of minimum wage. However, we do not believe that it should be indexed at a poverty rate, and that it actually should be indexed to the low-income cut-off.

Thank you.

**Mr. Chairperson:** Thank you, Mr. Penner, for your presentation.

We'll start with questions, and the honourable minister.

**Mr. Cullen:** Mr. Penner, good to see you again. Thank you very much for coming down for—and making your presentation tonight.

I think you're right; it's getting to people to work, really, is the fundamentals. And more people can get to work, the better their situation will be. And I think we also believe in the education component, right? You know, once we get people to work, how can we provide the incentives and the education to allow people to grow? And I know your organizations are certainly focused on that as well.

Just some comments in general: what—how you think—what do you think we can do as a government to make sure that those two go hand in hand to be successful? *[interjection]*

**Mr. Chairperson:** Mr. Penner, go ahead.

**Mr. Penner:** I'll get that eventually.

I think the piece that we're missing when it comes to sitting the minimum wage bill here and then looking at education over here is that, unless

you're actually looking at it from a comprehensive plan of all these pieces and how they factor against each other, then you can't necessarily—we can't necessarily speak to the efficacy of one poverty-reduction measure against another because they're being made irrespective of each other, and it's not an actual comprehensive poverty-reduction plan that's in place.

So, if we were to come here and lay out all the specific plans that's being put in place in terms of education and supporting folks that education can get them into employment, I will be very happy to see that plan in place, but I like that these decisions need to be made all in consideration of the comprehensive policy measures that have to go in place for a supportive ecosystem for getting folks out of poverty.

**Mr. Lindsey:** Thank you for coming out tonight and sharing your views with us.

Interesting what Minister Cullen talked about, encouraging people to educate and get out of poverty. How do you think that'll work by holding the minimum wage to a level that increases slower than, say, tuition increases? Will that help people be able to access education?

**Ms. Penner:** I would be—I'm unsure of the answer to that question.

**Mr. Lindsey:** You're not really able to answer that question, but do you think that the 15 cents an hour that this bill proposes for an increase in minimum wage will hold people in poverty, or is there a different number that we should be looking at for the base and then possibly index it?

**Mr. Penner:** Our organization would like to see the minimum wage set at a level that allows a single-parent, single-child family working full-time to be above the poverty line, and then indexed to LICO from there.

**Mr. Lindsey:** I thank you for that. I don't have any further questions.

**Mr. Chairperson:** Any other further questions?

Thank you, Mr. Penner, for your presentation.

Okay, next person on our list is—No. 6 is Lynne Fernandez. She's with the Canadian Centre for Policy Alternatives.

Ms. Fernandez, do you have materials that you want to hand out?

**Ms. Lynne Fernandez (Canadian Centre for Policy Alternatives):** I do. Thank you.

**Mr. Chairperson:** Okay. We'll get somebody to pass around.

Please proceed with your presentation, Ms. Fernandez.

**Ms. Fernandez:** Good evening. Thank you for the opportunity to present on Bill 33, The Minimum Wage Indexation Act.

\* (19:40)

Minimum wage workers will be relieved that their wages will not be continuing to fall behind at the same rate as they have been, but we must not be lulled into believing that the small increase proposed by the bill is going to pull low-income workers out of poverty. This is because the minimum wage is in no way linked to the cost of living.

Before I return to that point I wish to consider who earns a minimum wage—some of this will be repetition, but it bears repeating. Some years ago the Manitoba Federation of Labour found that minimum wage workers are not just teenagers working at fast-food restaurants after school. They found that 55 per cent of minimum wage earners in Manitoba are adults 20 years and older; 51 per cent of minimum wage earners worked for companies with 100 workers or more; and 42 per cent worked for companies with 500 or more employees. At the time of the research, approximately 38,600 Manitobans earned minimum wage, and fully 73,700 Manitobans made only 10 per cent more.

We need to ask if the minimum wage provides sufficient income to raise a family. The answer to that question is a decided no. The Canadian Centre for Policy Alternatives produces research on the living wage. A living wage is different from the minimum wage in three ways: (1) It is voluntary, (2) It includes the value of government programs such as The Provincial Child Care Subsidy and Rent Assist and federal programs like the Canada child benefit, and (3) it is based on the cost of living.

I'm going to concentrate on (3) because that's the most important part for purposes of this discussion.

It also must be noted that the calculation of a living wage starts from a bare-bones budget and the methodology does not include the following: First of all, it does not include credit card, loan, or other debt or interest payments; it does not include saving for retirement; it does not include owning a home

or savings for children's future education; it does not include anything beyond minimal recreation, entertainment, or holiday costs; and it does not include costs of caring for a disabled, seriously ill or elderly family member, and it does not—it does include—it doesn't include much of a cushion for emergencies or tough times.

Now, we calculate a living wage for a two-parent, two-family child, and for a one-parent, one-family child. We are currently in the process of updating those calculations for 2016. I can tell you that in 2013 both parents in a two-parent, two-child family would have to earn \$14.07 an hour to provide this bare-bones budget in Winnipeg. The one-parent, one-child family would have to earn \$17.04 an hour. These calculations were done three years ago so they will now be considerably higher.

The living wage exercise is at the moment, just that—an exercise, but it does give us an idea of how inadequate the minimum wage is for those raising children. Clearly a minimum wage of \$15 or more as recommended by Make Poverty History Manitoba would be more effective in raising families out of poverty.

Critics of the greater than inflation increases to minimum wage do not consider whether or not we're starting from a point where the minimum wage provides adequate income to families. The living wage exercise demonstrates that Manitoba's minimum wage has a lot of catching up to do if we're to seriously tackle poverty in this province.

Surely, there can be few policy goals more important than reducing poverty. The high price of low wages can be seen in those groups where poverty is prevalent. We see low educational outcomes, high unemployment, underemployment, reliance on government social programs, such as employment and income assistance, and of course, poor health. If this province truly wants to reduce spending in health care, one of the most pro-active measures it can take is to reduce poverty.

The working poor are poor because their salaries are too low. Raising the minimum wage to \$15 an hour would provide long-term benefits to everyone, including businesses. Research shows that paying a decent wage has many benefits for employers, including reduce absenteeism and staff turnover; increased skill, morale, and productivity levels; reduced recruitment and training costs; and improved customer satisfaction.



Critics will insist that increases in minimum wage will cause more unemployment. I turn to the same study that my colleague, Molly McCracken, talked about by economist Jim Stanford and Jordan Brennan to refute that claim. Stanford and Brennan did a statistical analysis of the relationship between minimum wage increases and employment in all 10 Canadian provinces between 1983 and 2012. It found very little evidence of a connection between higher minimum wages and employment levels. In fact, they were more likely to find a positive relation. Higher minimum wages were often associated with higher employment.

'Significly'—significantly, they found that employment levels are much more sensitive to economic factors like aggregate demand and GDP growth than to wage regulation.

Also of significance is their finding relating to lower wage sectors of the economy that include young workers. They found no consistent evidence of significant disemployment effects related to minimum wage increases.

According to the report, and I quote: "Policy makers do not need to worry about offsetting reductions in employment as significant side effects of this effort—especially if higher minimum wages are introduced gradually and regularly," and that's the key, and consistently, "and are accompanied by other measures to stimulate employment and purchasing power in the economy.

"Even to the extent that a higher minimum wage does translate into reduced profitability for employers, especially in industries which depend disproportionately on minimum wage labour, the eventual impact on employment levels will be partial and indirect. Many low-wage employers can clearly afford to pay higher unit labour costs and experience modestly lower profitability while still remaining a competitive and viable business," end quote.

So, you know, I've been listening to the presentations here tonight, and I know that it will take courage and leadership to implement a meaningful, greater-than-inflation increase to the minimum wage. But I really believe that history will be on your side if you do that. Thank you.

**Mr. Chairperson:** Thank you for your presentation, Ms. Fernandez.

Now it's time for questions for five minutes.

**Mr. Cullen:** Ms. Fernandez, thank you very much for your presentation.

A previous speaker was speaking about increasing in minimum wage, as well, but, in my view, they were speaking—they were going to increase the minimum wage but also make sure that the government was getting their share through taxation. I think that was probably the previous view of the previous government.

So what's your take? You—obviously, you want to increase the minimum wage, but do you want to transfer that money, through taxation, to—back to the government, or do you want to allow those minimum wage earners to keep that money?

**Ms. Fernandez:** I don't think that—looking at the living wage calculation—necessarily does either of those two things.

In order to understand how calculating the living wage works, is you have to give value of existing government programs to people who are making—and I'm calling it a living wage; I'm not calling it a minimum wage, because the living wage is going to be higher, because we've done the calculation based on the cost of living.

But let me give you an example: If your government were to offer \$10-a-day child care—in other words, subsidize child care so that it was available to all Manitobans—to Manitoban families, the living wage would come down, and it would come down substantially, because we have calculated how much a family has to spend on existing child-care costs in Manitoba. So, if you were to subsidize child care to a meaningful level, that would actually bring the living wage down.

So another example that might demonstrate what I'm talking about is—we're in the midst of doing the calculation right now, and we're not quite done, but we know that the living wage has not gone up nearly as much as we thought it would from 2013. Why is that? It's because of the federal government child—the child—the Canadian child benefit; that has put so much money into Canadian families that it is actually moderating how much the living wage has to go up in order for families to live a decent life.

And I emphasize: this is a bare-bones budget. We're not talking people who are living, you know, high off the hog here. This is just giving them a certain level of economic security.

And—but, even with improvements to the programs that government provides, it's still considerably higher than the minimum wage, and that's the point that I want to make tonight.

**Mr. Chairperson:** Okay, we had two hands up right now. I just want to clarify here that Mr. Fielding had his hand up first and then it's Mr. Allum. Okay, so we'll have two more questions.

\* (19:50)

**Mr. Fielding:** Thank you for your presentation.

Just—it's kind of a two-part question: No. 1, you know, obviously, you have some of the business lobby that's here that says, we went—you know, we went too far. You've—get some of the social activist groups come here that says we're not going far enough.

Minimum wage obviously is an indicator, but there's also other indicators for people in poverty. A good example that might be the Rent Assist program, for instance. So, for instance, in the last budget, our government increased the budget towards the Rent Assist program by over \$36 million, which really has helped thousands of low-income Manitobans to pay less and supports low-income or vulnerable Manitobans that'll be part of it.

So the first part of the question is: Can you answer, do you think the Rent Assist and changes that we've made, enhancements in terms of the budget, will help low-income and vulnerable citizens? And the second part of the question is in terms of the Canadian child tax care benefit. I know the member has some friends in Ottawa that's made some changes, which is substantial, but it is true, also, that the provincial government, in their policies, had a chance or could've—not could've, but decided instead of clawing back the amount of the CCB for a number of the programs, decided not to claw it back. So the second part of the question is: Do you think the fact that the provincial government has not clawed back the benefits from the CCB, the Canadian child tax benefit, plus the Rent Assist program, has provided more money in the, really, in the pockets for low-income Manitobans, not just families but low-income Manitobans, a part of the Rent Assist program?

**Ms. Fernandez:** Absolutely, it's made a difference, but it still hasn't put them at a living wage.

**Mr. Allum:** Ms. Fernandez, welcome, glad to have you.

We've heard of a lot of objections from many presenters tonight, but I want to ask you about section 8, what gives Cabinet the approval to rescind any increases in the minimum wage for two reasons: (1) such as a recession or a forecasted recession of Manitoba's economy.

As an economist, are you familiar with the term forecasted recession, and if there is such a thing, do economists actually have a track record for predicting recessions? *[interjection]*

**Mr. Chairperson:** Ms. Fernandez.

**Ms. Fernandez:** Thank you. The 2008 great recession, right, the greatest recession since the 1930s, and had governments not interceded, it would've been a far more serious depression than the 1930s. I think I know of three economists who saw that coming, and they were not economists that you would hear on business reports. The failure of the economic economists to predict the 2008 recession is absolutely stunning because they should've been able to see it coming, and they didn't. So the idea that we can forecast a depression or a recession, I mean, is clearly whimsical, to say the least.

**Mr. Chairperson:** Ms. Fernandez, thank you much for your presentation, your answering the questions.

The five minutes of questions is up, and there's probably more questions, but we only have so much time. Thank you very much.

The next person on the list is Loren Remillard. And Loren's from the Winnipeg Chamber of Commerce.

Mr. Remillard, do you have any materials to give to the committee?

**Mr. Loren Remillard (Winnipeg Chamber of Commerce):** No, I do not.

**Mr. Chairperson:** Okay. Go ahead, Mr. Remillard.

**Mr. Remillard:** Just a comment. For the future, it might be nice to have a chair at the table just—my blood sugar's really low, so I'm going to lean on the table, so. *[interjection]* No, no, that's—

**Mr. Chairperson:** We can get a chair for you, Mr. Remillard.

**Mr. Remillard:** I'm good. I'm just—so, first and foremost, Mr. Chair, members of the standing committee, on behalf of the Winnipeg Chamber of Commerce's over 2,000 businesses, non-profits and charities, representing 90,000 employees in

Manitoba, thank you for the chance to speak on Bill 33, the legislation to index the minimum wage in Manitoba.

I'd also like to, while there's a cavalcade of presenters before you saying various different things, I want to applaud all those that have appeared before me and afterwards for taking the time out of their evenings to come and present on this issue and I'd like to also note some of them are our members, Darcy Penner, CCEDNet. So, as the Winnipeg Chamber of Commerce, we're—we cast a pretty big tent.

Our mission is to foster an environment in which Winnipeg businesses and every Winnipegger prospers. To get a sense of who we are, we do have over 2,000 members, 80 per cent of whom are small organizations, 50 or fewer employees. I mention that because I think far too often, the discussions around minimum wage cast business as the villain in some kind of typical Hollywood film, and it's just not the case. As is Hollywood tradition, reality and fiction are a little bit different—[interjection] Thank you.

I'm speaking today for a mom who started making cakes when she went on mat leave so she could pay the bills. I'm speaking for three techy guys who came up with a way to tie e-commerce into YouTube while living in their parents' basement—and yes, they were making minimum wage. I'm here for the hipster coffee joint that's just one block down on Broadway. Many of you, I'm sure, have enjoyed the coffee at Fools + Horses. I'm here for a former football player that turned his love of shawarma into a Winnipeg go-to place.

Minimum wage matters to Winnipeg's small businesses and organizations. On their behalf, the chamber applauds this legislation. It provides certainty to our employer community, our businesses, our charities, our non-profits, and yes, it provides certainty for employees themselves.

For 15 years, the minimum wage was raised every year. One year, it was even raised twice. These increases were not tied to any metric or measurement; they just happened and were passed on to employers. While the Labour Management Review Committee would be sometimes consulted, reports would come back non-consensus, but the wage would still rise.

In contrast, Bill 33 provides certainty. Employers will know six months in advance what the minimum wage increase will be. That's kind of

vital knowledge for planning, and planning—you plan for success. Tying the increases to the rate of inflation in Manitoba—not the national one—should also be applauded. This will ensure our increases are more closely tied to local realities, not the cost of living in Toronto or, worse, Vancouver.

I have to highlight another critical part of this legislation: provisions to not increase the minimum wage during times of recession. It's tough enough to run a business; it's tough even in an economy that's stable and growing. This provision to respect recessionary times when many sectors also see wage freezes is vital.

I'm just going to put a little caveat on that, though, which is why the chamber would like to see the legislation stronger around this provision as to what constitutes a recession or a forecasted recession. We'd like to see some more objectivity to that and less subjectivity to that. The legislation does refer to economic indicators, but it is unclear as to what those indicators are. Some suggestions include GDP, obviously, but we'd also recommend looking at provincial employment rates and increases in both public and private sector wages as well. Such a measurement would capture a more fulsome picture of the health of Manitoba economy and the prosperity in our communities, so we would urge the committee to consider that provision. Prosperous communities are what all of us want. Anyone that would insinuate otherwise is missing the big picture.

The conversation on minimum wage, unfortunately, consumes way too much oxygen in debates around poverty reduction. We've been at this for a while, and are we any further ahead, really? No. Minimum wage, unfortunately, is thrown out as a one-size-fits-all tool to fight poverty, like we're going to magically cure poverty with a proposed living wage. That's a giant club of a tool.

In Canada, and, yes, you're going to get the statistics—in Canada, close to 60 per cent of all minimum wage workers live with their parents or with another family member. The majority of minimum wage workers are in either full- or part-time study. Around a quarter of minimum wage workers live with a spouse as well.

Those numbers are from Statistics Canada raw data. I will cite where I get my information from if it's independent or something that's produced by our organization, and I just really want to point that out as a point of differentiation. We will just use Statistics Canada, because if I come here and say the

Winnipeg Chamber of Commerce authored a report, whether it's valid or not seems to be immaterial; the messenger gets shot.

A minimum wage increase largely benefits high school students or university students living with mom and dad. If we want to be serious—and I mean serious—about addressing poverty in our community, we should be focused on getting more people not only earning a wage but a higher wage. There are still close to 37,000 Manitobans without a job, and we have seen a slow and steady decline in the labour force participation rate in recent years. Governments need to look at education and training programs that will help lift people into higher wage occupations and careers. Other measures can be used as well, just as recognizing accredited individuals from other jurisdictions.

\* (20:00)

From Stats Canada data, we also know that under 5 per cent of those employed in Manitoba earn minimum wage. With there being approximately 550,000 people employed in the public and private sectors in Manitoba, we can reasonably calculate—again, we're making a calculation here—that there are around 27,500 minimum wage workers—earners in Manitoba. As well, around 10 per cent of Manitobans earn between minimum wage and 10 per cent higher, currently up to \$12.10 an hour or less. That would be around 55,000 people—again, around.

From the Canadian context, we found that close to 60 per cent of all minimum wage workers are under the age of 25. However, there is a pressing need for better public data in this area. It would be nice if we were all singing from the same songbook on this, and StatsCan is independent, produces data. What we do with that data is everyone's interpretation of it—be really nice if we just had data.

I will say—and I missed one of my pages, I think—no, I didn't—one of the things, you know, has been 'bantied' around is the concept of the living wage. And our view from a Winnipeg Chamber of Commerce perspective is that we would urge the government to take another experimental look at Mincome as was done in the Dauphin area in the 1970s.

Mincome provides a guaranteed income for individuals and could potentially reduce bureaucracy by reducing the amount of red tape individuals currently need to go through to receive government

support. I think if you would ask anyone involved in poverty reduction, the quilt, the patchwork of government programs, be it at the federal and provincial level, is a nightmare. And, if we can find ways to reduce that administration, I think that might actually help people in poverty as well.

The overall goal of Mincome is to reduce poverty. Minimum wage was never designed as a poverty reduction tool. We'd also note that the committee—that Ontario started a Mincome pilot project this year. In May 2015, the Finnish government announced it would proceed with the basic income experiment. Other experiments have been performed most recently in Brazil, with a citizen's basic income, and India, where the federal government has already begun replacing aid programs with direct cash transfers.

But even then, when it comes to income and wages, Manitoba has been doing fairly well. Since the last minimum wage increase in October 2015, Manitoba has seen the third largest increase in average weekly wages amongst all provinces. Since October 2016, Manitoba has had the fastest weekly wage growth amongst all provinces that almost doubled the rate of the national average. Average weekly wages have increased by almost \$25 an hour in Manitoba in just a few short months. All data from Statistics Canada, raw and unfiltered.

**Mr. Chairperson:** Mr. Remillard, you have approximately one more minute.

**Mr. Remillard:** I'll cut it down even there.

So in closing, I would like to thank the committee for their time this evening to share the Winnipeg chamber's perspective, and I really do look forward to the day—and I think this is why we support the legislation—where we're not appearing before you on this. Because as I said, this debate has consumed way too much oxygen. We just go around and around, and I really don't see the Province moving forward with it.

The conversation is divisive. It does not promote the direction we need to go into. We need to depoliticize this debate for employees, for employers, and for yourselves. We need to focus on the real issue if we're serious about poverty and the real measures that are going to deal with it.

I look forward to that day where we don't have to talk about minimum wage, we're talking about continually the high-paying jobs that we all—everyone around this table wants to see in Manitoba.

Thank you.

**Mr. Chairperson:** Thank you, Mr. Remillard, for your presentation.

Before we go to questions, we have three people already—MLAs have actually asked for—put their hand up to ask questions. So we'll start with the Minister Fielding for this first question—for the first—No. 1 question, and we'll go on Mr. Allum and Mr. Lindsey.

**Mr. Fielding:** First of all, thank you for your presentation, and it—it's not a—probably non-partisan issue, I think one of the elements of getting people out of poverty, I think everyone can agree upon, is getting great jobs. Right, that's a big part of it.

I know one of your members, I think you had mentioned Darren [*phonetic*] Penner was up earlier on from the Canadian Community Economic Development Network and, you know, has been a big proponent of the social enterprise which this government has taken—you know, taken a role in. In fact, we committed to this in the budget paper—or the poverty reduction paper that was attached to the budget.

Can you comment on the role you think that social enterprise can play in terms of lifting people out of poverty, and is that something the Chamber of Commerce supports?

**Mr. Remillard:** Thank you for the question.

Absolutely we are on record as being very strong proponents of the social enterprise model. It's the type of innovation and different way of thinking that will actually make a difference in the community. I applaud the work of Darcy Penner, CCEDNet, Shaun Loney and others that have really been pioneers, locally, in this area. And, as a chamber, we continue to support their efforts and we'd love to see an expansion of that model in Manitoba, just the tremendous success that we're seeing—if Darcy's still here—is just it's—it really gives us hope that we're on the right track.

**Mr. Allum:** Well, thank you for coming in tonight, always appreciate you appearing before committee. I'm skeptical about any notions that you can de-politicize questions around the distribution of wealth in our society. From the origins of modern capitalism it is a highly political question. I'm sure it's the business community's hope that we can come in here and never have to talk about it again. For as long as New Democrats are here, we're going to be talking

about it until there's equality and fairness in our society and I hope you can appreciate that.

What I don't understand about your presentation is, don't you want folks to have money in their pocket to go spend in the very businesses that you represent?

**Mr. Remillard:** Absolutely. But we're not convinced, and I would argue the data is not there, that this simplistic view that if you just raise minimum wage \$4 an hour, you know, that we're going—it's going to magically make things materially better in a significant way. And it won't have any repercussions for small business, that they will continue to just gleefully accept increased costs to do business in Manitoba and just carry on like it's business as usual. I don't subscribe to that.

I do subscribe to the idea of higher paying jobs, more jobs, more opportunity and more hope for Manitobans is why we look at the Mincome experiment as something that goes beyond the minimum wage earner and looks at low-income earners. Beyond—that maybe—we talked about that 10 per cent or higher from minimum wage. Why are we not talking about that? Why are we just focused on what we—the numbers say is 5 per cent of the workforce? I don't understand that. If we're truly progressive, if we're truly trying to address this issue, I fail to see minimum wage as being the magic bullet, the silver bullet that's going to cure all. And I think it's a simplistic solution for an issue that requires a much deeper analysis and a much deeper treatment.

**Mr. Lindsey:** I'll defer to—

**Mr. Chairperson:** Mr. Allum.

**Mr. Allum:** Well, I have a hard time understanding how it is that you don't think that if people have more money in their pockets and go spend it in the businesses that you represent, that those businesses themselves won't grow? It's called demand side economics; it's been existing since John Maynard Keynes.

I fail to understand why you're not representing here—and the reason we're talking about this by the way is because the government issued a piece of legislation on inadequate minimum wage for Manitobans. But it doesn't make sense to me why you would defend a position which would put more money in the pockets of Manitobans who don't—aren't going to put it in the stock market, they're not going to put it into a savings account, they're going

to spend it in the very businesses that you represent, and yet you don't think that's a good idea?

**Mr. Remillard:** I think you mischaracterized my comments, and that's unfortunate. Obviously, business likes to see people with more disposable income, but what we're saying is this idea of a living wage is simplistic and we would rather see something that's broader, more robust in its treatment, and that's why I say do the Mincome experiment. We just don't see the argument for living wage.

We do support the idea that more disposable income has a benefit, but again, just to show you I'm more than just an inch deep, let's take a look at the types of spending because not all spending is created equal. You assume that a dollar is a dollar is a dollar, and studies just clearly do not point that out. A Michigan study widely recognized as the most meaningful one when it comes to local spending, 73 per cent of every hundred dollars spent locally remains in the local; 43 of every 100 dollars spent on say chain industries that aren't local stays in the community. So not all spending is created equal. If that money is spent on local business it's recycling affect is a lot higher.

So, again, when you say why wouldn't you just support this, there's a deeper examination that's actually required. I understand demand supply management, I just think that yes, more money is good—hurry up, okay I'm done.

**Mr. Chairperson:** Yes. Sorry, we're out of time with question, five minutes is up. So I want to thank you, Mr. Remillard, for your presentation and the questions. Thank you.

\* (20:10)

Okay, we'll get into the presenter number nine, Cory Kolt. And the person's from the Manitoba Chamber of Commerce. I have to make sure that I say he or she because Cory can be—okay, Mr. Kolt, go ahead. And do you have any materials first that you want to pass around to the committee?

Mr. Kolt, you can start with your presentation.

**Mr. Cory Kolt (Manitoba Chambers of Commerce):** Thank you very much and good evening, committee members. Please forgive any nerves. This is my first time, so.

On behalf of our president and CEO Chuck Davidson, our 70 local chambers and close to 10,000 businesses that we represent across the

province, thank you for allowing us some time to speak to Bill 33.

As we travel the province, our members, many of them small- to medium-sized ventures, talk to us about the uncertainties that they face. Much of this uncertainty centres on factors that they cannot control. What businesses of any size are looking for is some level of certainty wherever they can find it. So it should come as little surprise that the calculation of a minimum wage remains concerning to Manitoba businesses.

Currently, the minimum wage is \$11 per hour here in Manitoba. It makes Manitoba one of the highest cost locations in the country for business with minimum wage employees. Looking at the matter objectively, having regard to Manitoba's relative position on average weekly earnings, it should seem debatable that Manitoba should have a minimum wage is higher than Saskatchewan or BC, both of which have higher average weekly earnings than us here in Manitoba.

This can be understood even more clearly when consideration is given to minimum wage expressed as a percentage of average weekly earnings. Minimum wage expresses a percentage of average weekly earnings; it's much higher in Manitoba than in any other jurisdiction with which we are often compared, namely Ontario, Saskatchewan, Alberta or even in BC. In our opinion, the current way the minimum wage is set is too politically, arbitrarily or unpredictably set for both employers and employees.

The Manitoba Chambers of Commerce current policy, one that was passed unanimously in 2014 and once again unanimously earlier this month by the chamber network of Manitoba, asks for the establishment of a formula which considers increases to consumer pricing index and average weekly earnings as of January 1, and then applies an equally weighted average of those increases to the calculation of a minimum wage to be effective the following October 1st. We see the proposed bill that would tie the minimum wage to the annual increase in consumer price index rounded to the nearest nickel as an active step forward, providing businesses with the certainty that I mentioned earlier.

We applaud Minister Cullen and this government for listening to the business community while designing this bill. Manitoba would not be alone in moving towards this type of calculation for minimum wage. Many provinces have minimum wage tied to an economic indicator or a bundle of indicators that

may—that takes into account changes in the cost of living. Many jurisdictions link minimum wage to the national or subnational consumer price index or economic indicators that measure inflation, with changes to the minimum wage typically occurring on an annual basis.

While not a perfect system, this process has been adopted by Alberta, Nova Scotia, Saskatchewan and the Yukon. Alberta, for example, uses an average of changes to the provincial—to the province's annual average weekly earnings and modifications to CPI. Nova Scotia's minimum wage is tied to the percentage change in the CPI for Canada for their preceding calendar year. Yukon ties their minimum wage to the previous year's CPI for Whitehorse.

Now, while there will be calls for keeping the same formula, or a \$15 minimum wage, this would not benefit businesses in the long term.

Now, in a perfect world, and we can be quite honest, it would be nice for everyone to be paid at least \$15, or even higher, but what government and those voices need to consider is the kind of impact it is going to have on small businesses across Manitoba. Many are the ones that would have to pay for it. In fact, it can lead to a bigger discussion on addressing other ways to take the focus off simple minimum wage increases. There are better ways of putting more money in the pocket of those relying on minimum wage, we've heard it said here many times tonight, and that would be for the provincial government to raise the basic personal income tax exemption.

In Saskatchewan, for example, and not to compare, but in Saskatchewan residents aren't taxed on their first \$16,000 of earnings, while here in Manitoba that exemption is only \$9,500. Their current minimum wage is \$10.72.

As I mentioned earlier, any minimum wage increase was or felt like it was a number simply picked out of the air. Businesses never knew what to expect on an annual basis. Bill 33 will give businesses a better certainty and structure going forward regarding what their fiscal situation is going to be.

The Manitoba Chambers of Commerce and the Manitoba chamber network support Bill 33.

I thank you, once again, for the opportunity to speak on this important bill.

**Mr. Chairperson:** I want to thank you, Mr. Kolt, for your presentation, and now we'll go on to a five-minute question period.

The honourable Minister Fielding, for his question.

**Mr. Fielding:** Sure. Well, first of all, thank you for your presentation.

And I just want to pick up on a point that the member for Fort Rouge made in the last presentation, but probably relevant here. Just in terms of keeping more money in the pockets, I think we're kind of—come from the same angle, maybe different policy approaches towards that. But, in things—I guess there's two points.

You mention—No. 1—a PST. We know, obviously, the PST was raised very recently, and studies have indicated that impacts low-income Manitobans probably the most. As well as some changes—I think positive changes—people have suggested in terms of the basic personal exemption—you just mentioned that as well—taking over 2,100 people off the tax rolls which really has left millions in the pockets of low-income Manitobans.

So can you comment on those two particular policy items as it relates to that leaving more money in the pockets of Manitobans? How will they both impact low-income Manitobans?

**Mr. Kolt:** Well, from a business perspective, I think we all don't need to rehash the PST incident. The Manitoba Chambers of Commerce was loud and clear about that.

I will say, from the basic personal tax exemption, it's been mentioned here a couple of times and the question's been thrown out about wanting Manitobans to have more money in their pockets. Numbers can say a number of different things, but the personal tax exemption—raising it so that you're not taxed on a larger percentage of what you actually take home, would definitely be something that would be favourable, and it would put more money in people's pockets.

In terms of, you know, delving into too many details on the questions on how it compares, I am not an economist, so businesses would be able to tell you much better how it would impact them.

**Mr. Lindsey:** I thank you for coming and making this presentation.

You talk about the personal tax exemption, and you think that's a better way of allowing people to keep money in their pockets. A low-income earner, \$16 a year, do you think that'll raise them out of poverty?

**Mr. Kolt:** Again, not an economist. What I will say and what I can tell you is the—raising the basic personal tax exemption, addressing the formula in which minimum wage is addressed, are tools. They're not the—neither one is an end-all, be-all solution. There's a combination—a number of different factors that come into play. There are a number of different tools that are available. My counterpart from Winnipeg made mention of that as well, so that's essentially where I'll go there.

**Mr. Chairperson:** Before you—I just want to make an announcement here, before we go into any more questions.

I just want to let you know that this is an extension of the House and this is the committee room, and there's no pictures allowed in the committee room. So if anybody has a camera out, please refrain from taking pictures.

Okay, the next question, Mr. Lindsey.

**Mr. Lindsey:** I just want to talk some more about this personal exemption. Do you believe that people at the higher income level will benefit greater from the personal income tax exemption as opposed to people at the lower end, and I'm not an economist, either.

**Mr. Kolt:** The idea of raising the basic personal tax exemption would allow people to keep more money in their pocket before they are taxed on it. That, to me, is a good thing. I don't know too many people that would find otherwise.

**Mr. Lindsey:** Well, again, do you believe it will allow people at the upper income level to keep a greater amount of money in their pocket as opposed to the \$11.60 that people at the minimum wage level will?

**Mr. Chairperson:** Mr. Kolt, go ahead, please.

**Mr. Kolt:** Oh, sorry. I was waiting for that.

The people at the high end already don't—their exemption is the same whether it's \$16,000 or \$9,500, so higher end people in the tax bracket wouldn't feel that anyway, I don't think.

**Mr. Lindsey:** I'm glad I'm not an economist, because that math doesn't really make a lot of sense.

But do you believe that people that earn a reasonable amount of income, be it minimum wage or some relative wage—a living wage—whatever terminology you choose to call it—do you believe that they spend money in their community, and, if they have more money to spend, that they, in fact, spend more money in their community?

\* (20:20)

**Mr. Kolt:** Again, I really can't speculate with what people will do with more money in their pockets. Everybody is in a different situation; businesses are in a different situation; employees are in a different situation. What I do with the money that I earn is different than what you may do with the money that you earn, so I can't answer that question.

**Mr. Chairperson:** Time for questions is—five minutes is up, but I want to thank Mr. Kolt for your presentation and the questions that you answered tonight.

Okay, next person on the list is No. 10—presenter No. 10, Michael Chin, and he's a private citizen.

Mr. Chin, do you have any material that you want to pass out?

**Mr. Michael Chin (Private Citizen):** No.

**Mr. Chairperson:** Okay. Mr. Chin, you can present—proceed with your presentation.

**Mr. Chin:** Thank you for welcoming me to this open floor. I've been here all evening. I've heard stats; I've heard numbers; I've heard questions; I've heard answers. But what I'm here for is—I'm the face to all those stats and all those numbers that you need questions and answers to.

People always say, well, what's the—what are those people behind those stats? I'm one of them. Here's the thing: I'm also an employment income assistance advocate, and I also work with low-income people, and myself is low income.

I just heard over the last two hours what does—what would have more income mean to a person like myself? I can answer that plain and simple; I'd spend it. And you're probably, well, spend it on what? Here's your answer: I would spend it on groceries. I would spend it on stuff that I wouldn't have to worry about struggling every day.

On average day, people go to drop-ins and food banks daily. What about those numbers? You see an average of 30 to 50 people in my community, which is the West End, use those drop-ins just to make it



by every day. Fifteen dollars—between 13 and 15 dollars, to me, would give me a lot more wiggle room. It would give me a lot more way to give back to my community. It would help my self-esteem. It would help my mental well-being.

When you're working, your mind actually changes. Science proves that when you're working, it proves you've got more confidence. It proves—for example, the way you dress—if I were to come here in a suit, I would—my mindset would change. If I had more money in my pocket, my mindset would change. You're giving people like myself—you're giving them a change to get out of the system, not trapped in the system.

And people are like, well, if we give them more money, it's not going to help. Really? Have you lived the system? Are you on the system? Are you a person trying to survive off of the system? Some people go to food banks every single week. It's not because they have to; it's because it's a 'necessarity' because they don't have the money to get it through.

I agree that Rent Assist has been a huge help, but we need more than Rent Assist. We need more programs in place. We need more people in the—within the restaurant industry to give the new people coming in who want to go from dishwashing to cooking, to give them more training, so more people can get trained and more people can work their way up.

I used to live in the North End of the city. I lived there for six years. I lived on Dufferin; I lived on Flora, and I lived on Manitoba, one of the three worst streets in the North End, but I'm still here. I eventually moved to the West End due to other personal circumstances, and I—taken all knowledge from the North End, and I see the impact people were doing in the West End now.

Yes, we—you could teach people how to make community gardens. We can teach people how to sustain for themselves, but where's the incentive to work if you don't give them enough incentive to work? How can you tell—you can't tell me that you'd rather wake up every day to an empty fridge, an empty cupboard, to a crying baby who doesn't have baby food because of not enough money. Imagine if it was your family member. Member—if it was your family, that you said, you know what, 'coz', thank you for—congratulations on the job, but, you know what, I'm not going to do nothing about it, because bringing 15 cents in doesn't really do anything to

help you, but you're my family member. How can I help you?

I employ you two hours more, \$13 an hour at the maximum of \$15, yes. But \$13 maximum makes so much of a difference for the long run and we talk about this basic income exception, well the thing is—here's the thing on that, I worked my butt off last year and the same government who allows me to not really be trapped in the system took the same money away from me at the end of the year because of that exception, and this is where the trap is.

People will work their butts off—many people will quit because they think there's no chance, there's no way I'm going to get out of this welfare system because all they do is steal from me. I work my butt off and many—hundreds and hundreds of people behind me work their butts off, but at the end of the year, when they claim their taxes, they get nothing back. All they get is usually just their GST and that's it.

If you—if we were to 'raise' the minimum wage increase, we wouldn't have so many people struggling and the numbers probably wouldn't be as high. The numbers would be actually a lot more lower because you're giving incentive for people to say, you know what, we're behind you.

More money's going to go to the corporations in the city and more money's going to go that groceries because that's where people want. Do you really think people can wake up every night and say when is my next meal going to come from, when is my next coffee going to come from? Imagine waking up and you have a total empty fridge and you have \$3.96 to live on. I—you can't live on that, but we have, haven't we? We've been living off of \$3.96 for over 30 years now. I was eight years old when that system started, and it hasn't changed—you would think in at least 20 years it would change.

These wages have to go up. I'm not saying they have to go up so much that it's outrageous and nobody works for anybody. But what I'm saying is it's got to help so many out that the economy grows, we go from poverty to working people and it helps the entire city out—or the whole province, I mean.

I just want to finish up by saying, it's—I'm not here to complain. I'm not here to make you guys feel guilty in any way. I am here as a truthful and realist person, that's all I'm here for. You want the raw meat, that's who I am. I give you the truth in raw and

that's all I wanted to really come to give you the face to the stats.

**Mr. Chairperson:** Thank you, Mr. Chin, for your presentation.

And we'll go on to questions for five minutes and the honourable minister of—well, your questions?

**Mr. Fielding:** Sure. More of a comment, but I'll phrase it in a question.

First of all, Mike, thank you for coming out and it takes a lot of passion and it take a lot of courage to come and sit here all night, listening to people go back and forth. And, you know, I want to reassure you that people from both sides of the aisle, you know, want to work hard. And I know I'm the minister responsible for some of the areas that you're referring to, and I'm going to work my darnedest to, you know, have an environment where people can work and get a job and we want to have incentives and leave money in their pockets.

I just want to reassure you of that—from both sides of the aisle, no matter if you're a New Democrat, you're a Liberal, or you're a Conservative.

And so I guess mine is more of a comment than a question.

\* (20:30)

**Mr. Lindsey:** Thank you, Mr. Chin, for coming out. You're the people that this government needs to hear from. They've heard from union people that present the facts. They've heard from management people that present the facts, but you're the heart of the matter. You're the one that 15 cents an hour is the insult to.

So I really appreciate your coming out here and talking to us and trying to put that human face on what we're talking about here. I don't really have a question for you and I don't want to put you on the spot. I just really wanted to thank you and recognize you for coming out.

**Ms. Lamoureux:** I, too, just want to thank you for coming out and to reiterate what my colleague from Flin Flon had mentioned. It takes a lot of courage and passion to put yourself out there and explain your own story and that vulnerability that comes with it. Thank you.

**Mr. Chairperson:** Thank you, Mr. Chin, for your presentation, and thank you very much.

Okay. The next person on the list is Scott Jocelyn, and Scott's with the Manitoba Hotel Association.

Mr. Jocelyn, do you have any written materials that you want to hand out to the committee?

**Mr. Scott Jocelyn (Manitoba Hotel Association):** I do not.

**Mr. Chairperson:** Okay. Mr. Jocelyn, you can proceed with your presentation.

**Mr. Jocelyn:** Thank you very much. Good evening. I'm Scott Jocelyn, president and CEO of the Manitoba Hotel Association. The wife had the privilege of speaking at committee in the past. This is the first time that I've spoken in my new role as president and CEO of the hotel association, so I thank you for the opportunity to make a presentation regarding Bill 33.

The Manitoba Hotel Association is a not-for-profit corporation founded in 1927. As the industry's established voice in the province, our mission is to serve the needs and promote the common interests of the hotel and accommodation industry. Our association is proud to have one of the highest membership rates of hotel associations in North America. We represent 263 hotel properties right across the province, ranging from large corporate chains to small family-owned hotels and motels.

As the fourth largest private sector employer in Manitoba, the accommodation and food service industry is currently an economic powerhouse that employs over 41,000 Manitobans. This represents 7 per cent of all employment in the province. We are also one of the top employers of young people 16 to 25 years of age, and our hoteliers are proud of the fact that so many young Manitobans start their working careers in the industry.

Minimum wage is an important issue for our industry and my members. I'll be honest. We were frustrated by the previous government's approach to minimum wage. I'd met with several former ministers of labour over the last six or seven years, and the message was always the same. The minimum wage will be going up, regardless of how the economy or Manitoba businesses are faring.

This approach simply did not reflect an understanding of the challenges facing our industry. The hotel industry operates on narrow margins. In some cases, the Province dictates the prices we

charge and the profits we're able to earn. For example, on the case of beer we sell in our hotel, quote, beer stores, it's not within our power to simply pass along a wage increase in the form of higher prices. These prices are regulated by the government.

When the minimum wage increases, operators have three choices: They can maintain their existing prices, eating into their already small margins; they can pass along the increase to their customers; however, as I've stated previously, this is not always possible. When it is possible, it's not something that they do lightly, given the very competitive marketplace in which they operate. They can reduce the workforce to control expenses, which isn't good for their employees or the provincial economy.

These are difficult decisions for business owners to make. We believe Bill 33 will make things easier for the hotel industry. We like the predictability the bill will bring. Every April 1st we will know where we will be on October 1st. We can control our expenses accordingly. We like that minimum wage increases will now be tied to the inflation rate. This makes more sense than simply picking a number out of the air unrelated to other factors in the Manitoba economy.

Finally, we like the fact that if our provincial economy is experiencing a downturn, no increase will occur. This will be a big help for our operators struggling in difficult economic times.

These changes are good for our industry and good for the economy, and we thank the Province for introducing them in Bill 33.

In closing, we would like to continue working closely with the provincial government to grow Manitoba's tourism and hospitality sector. This is the best way to ensure our industry contributes jobs to the economy of the province. We are pleased to have a co-operative partner in the provincial government, and we look forward to many more positive developments for our industry moving forward.

I thank you again for the opportunity to present this evening.

**Mr. Chairperson:** Thank you, Mr. Jocelyn, for your presentation.

Does any committee member have any questions?

**Mr. Cullen:** Mr. Jocelyn, thank you very much for your presentation. Congratulations.

Yes, we, too, look forward to having further discussions in terms of how we can grow the economy in Manitoba, making sure we get Manitobans back to work. As you know, we're committed to the 96/4 program, putting 4 per cent of our revenue generated from tourism back into promoting Manitoba. We've had some great results on that so far.

In terms of minimum wage, we've tried to strike a balance here, and I'm hoping we've done that. But one thing that we were asked was predictability. And I just want to get your comments on how important that predictability is for your industry.

**Mr. Jocelyn:** I just think, because, as I mentioned, we're operating on such narrow margins that when you're trying to do business and you have—you know, you're at the whim of somebody making a decision without any—without basing it on anything, not having the predictability on what that major expense is going to be for you as you go forward is a difficult—difficult to navigate through. So the predictability is huge for us. And we really appreciate that.

**Mr. Lindsey:** Did you have a nice supper tonight?

**Floor Comment:** I'm sorry?

**Mr. Lindsey:** Did you have a nice supper tonight?

**Floor Comment:** As a matter of fact, I didn't. A 6 o'clock start here—

**Mr. Chairperson:** Mr. Jocelyn, go ahead.

**Mr. Jocelyn:** I'm sorry?

**Mr. Chairperson:** Go ahead, Mr. Jocelyn.

**Mr. Jocelyn:** Yes, so—sorry, 6 o'clock start here. I did not have supper tonight—so.

**Mr. Chairperson:** Okay, Ms. Marcelino.

**Ms. Marcelino:** How much profit margin—predictable profit margin is acceptable to businesses like yours?

**Mr. Jocelyn:** I would think probably around 30 to 40 per cent probably would be acceptable.

**Mr. Lindsey:** I didn't mean to come across as attacking you in the previous question. The point of it was going to be that there's a lot of people earning minimum wage right now who don't get supper tonight—not because they were out at a meeting or because they were too busy doing something; it's because they can't afford to eat three meals a day.

So you talk about predictable. Many of those people can predict every day that they're going to be hungry. Do you think that's fair?

**Mr. Jocelyn:** No, I don't think it's fair. But many Manitobans employ a multitude of people. They run businesses. They're—they are contributing to—man—at—the survival of many Manitobans. And, I think, just to increase the minimum wage and put that on the back of the employer is unfair.

**Mr. Lindsey:** So how do you think people that are living and trying to live on poverty wages, how do you think they should be able to get ahead in the world if their employers don't have to pay them more money?

**Mr. Jocelyn:** I think, as we've heard tonight, I'm not—you know, I would put me in the school of thought that I'm not sure that just increasing the minimum wage is a tool for reducing poverty. In my nine years working for the restaurant association before this job, I met with the government continually, and every year they just increased the wage: yes, we'll just increase it again; increase it again. We're still talking about poverty. Like, I—you know, I don't think that was working, and I'm happy to have a new voice around the table that at least is looking at doing something different than we've been doing in the past.

**Mr. Cullen:** Well, let's take that argument, here. You worked in sectors where I guess there are a lot of the employees would be working minimum wage. Have you had complaints from your owners that their employees are not getting food?

**Floor Comment:** I'm sorry—

**Mr. Chairperson:** Mr. Jocelyn—sorry—Mr. Cullen.

**Mr. Cullen:** Sorry, any complaints from your people in your industry that a lot—I know a lot of the people and the employees would be working on minimum wage, but have you heard any concerns expressed by the owners that their employees weren't—didn't have food on the table?

**Mr. Jocelyn:** I have not heard that.

**Mr. Lindsey:** I don't really have any further questions. Thank you.

**Mr. Chairperson:** Mr. Jocelyn, thank you very much for your presentation and your questions that you asked. And thank you.

The next person on the list is Basia Sokal. Are we going to put her down to the—Basia Sokol, we'll put her down to the bottom of the list.

Next person is—we'll call on Paul McKie with uniform—Unifor.

Mr. McKie, do you have any material to pass around to the committee?

\* (20:40)

**Mr. Paul McKie (Unifor):** I do not.

**Mr. Chairperson:** Okay, Mr. McKie, you can start with your presentation.

**Mr. McKie:** Income inequality is one of the greatest challenges our society faces. The income gap between the wealthy and the working poor diminishes every week. The middle class which drives the economy in our capitalist economy shrinks daily.

Wealthy people don't create jobs; they create more wealth for themselves. Some keep it away in numbered holding companies, sometimes even in another country.

It is working Manitobans who create jobs by purchasing the goods and services they need for their everyday living. Buying those goods and services is the economic engine of this province.

Deliberately keeping wages low is nonsensical and an outdated page from a feudal economic textbook. I have never understood the rationale of business people and right-wing politicians in pounding down wages. What is the point of having a working population that can't afford the very goods and services they produce and provide?

Even Henry Ford, hardly a raging socialist, understood a century ago that he had to make a car that his assembly-line workers could afford.

All of which brings us here today and Bill 33, a bill purportedly designed to help working Manitobans, but one which, instead, keeps low-income workers mired in poverty. Worse, not only is this bill an attack on the poor; it unfairly targets women who make up the majority of minimum wage earners.

I'm here today as the area director for Unifor which represents about 12,000 working women and men in Manitoba and 315,000 coast to coast in Canada. And, while my members don't earn minimum wage, Unifor understands that it is our

moral and legal duty to represent those many impoverished workers with no voice, workers who must work two, even three jobs to make ends meet.

This government steadfastly refused to raise the minimum wage when it formed government a year ago. Freezing the wage at \$11; Manitoba is one of only two provinces as we've heard—the other being Newfoundland and Labrador, which, incidentally, has raised it—will raise it twice this year.

Our government has seen fit to maintain the \$11 an hour wage for now and then apply an ironically named cost-of-living amount to that meagre wage this fall. A cost-of-living increase is warranted when you already live above the poverty line, and the increase keeps you abreast of inflation. That is not what this bill does. The minimum wage is already too low. The new amount this fall will be an extra 15 cents an hour. It's hard for me to fathom. It is so laughably small and incomprehensively inadequate. And there was an equally laughable codicil that says even the cost of living adjustment can be rejected by government during economic hard times.

So \$11.15. Maybe. And see you next year. Maybe.

I commend the excellent submission from the Manitoba Federation of Labour, which lays out in bold facts, Manitoba facts, why we must not only reject this bill, but put forth a plan to increase the minimum wage significantly. Unifor supports the \$15 and Fairness campaign. It's time for Manitoba to chart a path to a living wage, not a wage that mires workers in poverty.

Good jobs with good wages is what lifts workers out of poverty, but don't just take my word for it. As the MFL points out in its submission, a group of more than 600 economists in the US shows that increases to the minimum wage stimulates economic growth. When you give more money to people who spend all their earnings to provide for their families, then the entire community benefits. But don't just take the word of economists. How about a billionaire? Nick Hanauer, whose net worth is about \$1 billion, is a loud and proud supporter of a fair minimum wage in the United States. He has begun several campaigns to alert the public to growing income inequality that threatens to destroy the US economic system and, by extension, our own.

I'm not advocating everything this gentleman stands for, but when a billionaire is fighting for

better wages, this government should give its collective head a shake. Now, of course, there are people in Manitoba, maybe in this room, okay, we've heard from them, to whom a \$15 minimum wage gives them heart palpitations. Indeed, they're probably wringing their hands on how they will afford the 15 cents. They will bring forth the tired old arguments about the economy grinding to a halt, workers will be laid off and entrepreneurs will shutter their businesses or move to another jurisdiction.

I know these are the arguments because they use them every single time. They will argue that students and youth are the majority of workers and they don't need to earn the same amount as other workers. Well, for one, maintaining a low minimum wage while significantly increasing tuition fees is hardly helping students. Secondly, the majority of minimum wage earners are adults and not students. We heard tonight the whole issue of entry-level jobs don't deserve the top wage. I don't know if there is any entry-level MLAs here tonight, but I don't think you'd be satisfied with \$11.15 an hour. And \$11.35, if you're a Cabinet minister, and, of course, you get to keep tips.

As I mentioned earlier, women are disproportionately represented in the minimum wage earners, keeping women in poverty and increasing the already unenviable Manitoba child-poverty rate. As the MFL has noted, more than half of all minimum wage earners work in companies with 100 or more employees, hardly mom-and-pop operations. Just freezing the minimum wage has cost families money already. According to the Manitoba branch of CCPA, the loss to minimum wage earners is about \$400 annually due to the effects of inflation.

Unifor supports The View From Here—Manitobans call for a new poverty-reduction plan, which recommends the minimum wage be set at \$15.53, in 2014 dollars, and indexed to inflation at this level. This is an approach that is—has the approval of Make Poverty History Manitoba and the MFL.

I remain perplexed by a government that assailed the previous government for a lack of progress on poverty reduction, and yet all this government has done is increased the risk of greater poverty with actions such as reduced funding to social agencies, public housing and now an attack on minimum wage earners.

If I've learned anything in the past year, it's that this government is intransigent. I appear here today saddened by its actions and sorry for the vulnerable Manitobans most hurt by legislation such as this. I hope for a better tomorrow, but fear it is not coming to working Manitoba families anytime soon.

That concludes my presentation.

**Mr. Chairperson:** Well, thank you, Mr. McKie, for your presentation and we'll go on to questions.

**Mr. Cullen:** Thank you, Mr. McKie, for your presentation tonight.

By our calculations, Manitoba's minimum wage will be somewhere middle of the pack across the country. Just want to get a sense of where you think Manitoba should be, relative to other jurisdictions. And, if Unifor obviously is all across Canada—so I wondered if your organization has done the—I guess that it would be the take-home pay comparison across various jurisdictions.

**Mr. McKie:** Our position has been that the \$15 is a minimum that will do. There are certainly jurisdictions in other parts of the country that it should go even higher. I am—I personally am not aware of any economic studies they may have done on the things you refer to.

**Mr. Lindsey:** Thank you, Mr. McKie, for coming and putting your thoughts out there. Some presenters earlier had talked about, well, the best way to get these folks out of poverty is to get them into higher paying jobs. Have you seen a lot of these higher paying jobs being vacant and waiting for people to move into in the province?

**Mr. McKie:** I have not. That's always an argument that the right brings to the table when it's time for minimum wage discussions. As I said, I've been listening to these arguments for 25 years; they never change. I can agree with the Chambers of Commerce on that point alone.

**Mr. Fielding:** Yes, Mr. McKie, did you—just want to get your opinion—you talked a lot about, you know, ensuring that people have more money in their pockets. Did you or your organization take an opinion or a position when the former NDP government increased the PST, which most dramatically impacts low-income families at that point?

**Mr. McKie:** You're, of course, referring to a PST increase four years ago. I—no one here tonight has mentioned the PST increase in Saskatchewan that the Wall government just brought in.

You can't just look at it as one action; you have to look at it in the totality of the actions that are done. While provincial sales tax increase is not always the preferred method, you have to look at it in balance with all the other social welfare programs that were done, as opposed to Mr. Wall in Saskatchewan, who not only increased the sales tax by a per cent, but—*[interjection]*

I'm still—I'm answering the question.

**Mr. Chairperson:** Mr. McKie, go ahead.

**Mr. McKie:** Thank you.

As opposed—I was saying, as opposed to Pallister government, which not only increased the 1 per cent but then cut the spending on transportation, education, health care. So you have to look at it in the totality, not just isolated as one thing.

\* (20:50)

**Mr. Lindsey:** Again, I'd like to thank you for coming out.

We've heard people talk about minimum wage as a tool to raise people out of poverty, and it certainly isn't the only tool to raise people out of poverty. Is it a better tool for getting people out of poverty, in your opinion, than indexing the taxable income?

**Mr. McKie:** Absolutely. Why does this government want to give me a tax break, because that's what you're doing by raising the BPE. I don't need a tax break, thank you very much. I don't mind paying taxes. That's what you do in a civil society. But I think that it doesn't lift enough people out of poverty; the money could be better spent, because it's a loss of income to the government, that. That money could be better spent in terms of increasing minimum wage, Rent Assist and other social welfare programs that are out there to reduce poverty, which I hope is the goal of all the members here.

**Mr. Fielding:** A couple of questions. The government has recently taken a number of steps in terms of the poverty. As you indicated, it's not just—there's a whole bunch of measures that you take in place; for instance, with the Rent Assist program, we increased the Rent Assist program by about \$36 million. That's taken thousands of people, low-income and vulnerable Manitobans, given them supports that weren't there before. We also increased the basic personal exemption that has taken close to 2,200 people off the tax rolls. Now, you could argue that potentially, the amount isn't what you'd want, but we also took some measures when the federal government

implemented the Canadian child tax—Canadian child care benefit, and we didn't—we decided not to claw that back, which I think a lot of the social activist groups have indicated it was a very positive element to things, and we've also incorporated things like the Social Enterprise to ensure that people have great jobs, a commitment from the government. So, if any of those four items that our current government has done in our term of office, is there anything there that you think isn't a positive step towards reducing some poverty issues for the province of Manitoba.  
[interjection]

**Mr. Chairperson:** You have to wait for me to ask you questions.

**Mr. McKie:** You would think I'd know.

**Mr. Chairperson:** Mr. McKie, go ahead.

**Mr. McKie:** I don't like the whole idea of the social interest enterprise stuff. There's been all sorts of studies around the world that show that's a minefield. I'm not crazy about that.

Again, I don't have your budget in front of me. I actually came here to talk about minimum wage. I didn't realize that I would be put on the spot about my taxation expertise.

That said, without knowing in detail all the things that you have cut or reduced funding on, there's some things that you didn't cut but only increased the funding by a smaller amount than that has been traditionally given. You have to, again, look at it in totality, and instead of cherry-picking—oh, this is good, this is good—we have always said that the minimum wage is part of an overall economic strategy to reduce poverty.

**Mr. Chairperson:** Mr. McKie, thank you very much for your presentation and in answering these questions, answering the questions from the committee, and we want to thank you.

**Floor Comment:** Thank you.

**Mr. Chairperson:** Okay, so the next person on the list is presenter No. 16, Nicole Dvorak. Is that how you pronounce the name?

**Ms. Nicole Dvorak (Private Citizen):** Dvorak.

**Mr. Chairperson:** Ms. Dvorak, go ahead. Do you have any material to pass around to the committee?

**Ms. Dvorak:** Sorry.

**Mr. Chairperson:** Any material, like, material—written material.

**Ms. Dvorak:** No, it's just talking today.

**Mr. Chairperson:** Ms. Dvorak, you can continue with your presentation.

**Ms. Dvorak:** Well, as you know, my name is Nicole Dvorak, and excuse the nervousness. This is the first time I've been doing this type of thing.

So I'm a grade 12 student at Vincent Massey Collegiate, and today, I'm here to talk about what it's like to work for minimum wage.

Right now, I'm a full-time student, and I work part-time for minimum wage at Canadian Tire. I work as many shifts as I can without interfering with my last year of high school, and I am trying to get good marks.

Last year, I made \$7,000. My plan after graduation is to attend the University of Winnipeg in the Education department, and I am lucky to have this option. I have parents who are helping me pay for university, but, I mean, not everyone has parents that can help them and afford to help them. I'm also hoping to receive some scholarships to help pay for it. I have no idea how much it is going to cost to attend university, as I understand the tuition fees freeze has been lifted, but I guess I fit the stereotype of who a minimum wage earner is.

I'm here not to talk about myself, but to talk about some of my co-workers who are the full-time minimum wage earners who work with me. They are older people, some with kids and some are just supporting themselves. And you and I know that they are not able to earn more than this. They are working full-time to trying to support their families and themselves. Many have children and can't afford to go to school. They will always be making minimum wage.

In my English class, I recently wrote a paper for my final on the homelessness problem in Canada and looked at the issue of poverty overall. My mom and I discussed that even people working full-time on minimum wage are living well below the poverty line. We looked at the lack of affordable housing and child care which adds to the problem, making it—getting out of the cycle of poverty nearly impossible.

So the plan is to increase minimum wage by 15 cents an hour. That's \$1.20 after an eight-hour shift. I can tell you that \$1.20 doesn't buy anything and that it won't bring you out of poverty. You need to come up with a better plan. I know from my research that the poverty situation in Manitoba is

growing. We need good jobs and a living wage and no one who should—who is working for full-time should be living in poverty.

Thank you for your time.

**Mr. Chairperson:** Ms. Dvorak, thank you for your presentation.

Any questions? We'll go on to Minister Cullen for questions.

**Mr. Cullen:** Thank you, Ms. Dvorak, for making the presentation. It takes courage to come down and make a presentation, but hats off for you for doing that. Certainly, looking forward to graduation, I'm sure. Congratulations on that. Certainly, good luck into the future.

We—I just want to talk about post-secondary education, and we recognize that there's challenges there for low-income Manitobans getting into post-secondary education. So what we as a government have done—announced we're going to do some repurposing of money. So right now there's some credits for students who graduate. So probably going to work. So we're not necessarily sure that's the best purpose for that money, so what we've done is we've taken that money and put it into kids that are actually going to school, such as yourself. So we certainly increased that amount of money that's available for the lower-income students, just to make sure that they have the accessibility to go to school. So we've increased that substantially, and there's \$20 million available for—I know for the low incomes—direct bursaries for that to help that out.

So I just wanted to flag that for you to make sure that there's new programs out there. So have a look for those, and all the best in the future.

**Mr. Allum:** Nicole, thank you so much for coming out here tonight, and I certainly agree with Minister Cullen in saying that it does take some courage, but more than that, we're very pleased to hear your voice at this table tonight. It's essential that we do hear from people like you.

We've talked about affordability tonight. We've talked about economic arguments, but what I heard you say—and correct me if I'm wrong—that there's a moral imperative to lift people out of poverty so that they have a fair chance to live a good life. Am I right in sort of capturing what you're trying to tell us here tonight?

**Ms. Dvorak:** Yes, for sure.

**Ms. Lamoureux:** I just want to thank you again for coming out too. Committee can be very intimidating sometimes, but you did great. I'm sure your co-workers also were very grateful that you came forward and spoke on their behalf. I know I would be if I had a co-worker like that.

And if you—if minimum wage were to raise by a significant amount—hypothetically, it raised to \$15 an hour—what would you do with that extra money?

**Ms. Dvorak:** Probably put it towards school. I mean, like, just like getting, I mean—education is really important to me and like, going—moving forward in my life, and I think that's pretty much what I would put it towards, yes.

**Mr. Lindsey:** Thank you for coming out. I'm—listened to what you said and your parents are hoping to be able to help you as you go forward in your education. If you just had to depend on some minimum wage job on your own, would you be going on to post-secondary education?

**Ms. Dvorak:** Probably not. I mean, oh, I would try my best to and save up, but, again, like, if I wanted to plan on having a family or that, like, I'd kind of have different goals necessarily, and if I can't afford that and that's too hard to me to go to school, then I'd obviously have to scratch that off my plate and focus on other things, just because I can't afford it.

\* (21:00)

**Mr. Lindsey:** Just want to thank you for coming out.

**Mr. Chairperson:** Thank you very much for your presentation.

Okay, we'll get on to the next person on the list, is presenter No. 17, Matt McLean, and Matt's with the Canadian Union of Public Employees.

Mr. McLean, do you have materials that you want to pass on to the committee?

**Mr. Matt McLean (Canadian Union of Public Employees):** I do.

**Mr. Chairperson:** Mr. McLean, you can proceed with your presentation.

**Mr. McLean:** Thank you. Good evening. My name is Matt McLean and I'm a researcher with the Canadian Union of Public Employees. CUPE is Canada's largest union, representing over 640,000 members across Canada, including over 26,000 Manitobans.



Here in Manitoba, CUPE proudly represents members working in health-care facilities, personal-care homes, school divisions, municipalities, in social services and child care, in our public utilities, in libraries and in family emergency services. And I am here this evening on behalf of CUPE members to speak against Bill 33, The Minimum Wage Indexation Act.

First, let me begin by stating the obvious. The current wage, minimum wage in Manitoba, at \$11 an hour, is wholly insufficient. Statistics Canada's most recent calculation, which is already seven years old—several years old, found that the hourly wage necessary to meet the low-income cut-off, LICO, in Manitoba was \$15.53 an hour. And, as you've heard already tonight, the LICO statistic is commonly used to determine the poverty level here in Manitoba.

To be clear, this means that the existing minimum wage falls about 4 and a half dollars, or nearly \$9,000 a year, below Manitoba's poverty line.

Manitoba's minimum wage is a poverty wage. Now, some have suggested, including here tonight, that these low sub-poverty wages are fine and reasonable because all minimum wage earners, after all, are teenagers. None of them have costs of living; they all live rent-free with their parents; they're all working in small part-time—they're all working part-time in small, locally owned businesses. And, after all, if we raise the minimum wage, we take it out of the pockets of responsible local business owners and put it in the pockets of teenagers, who, as we know, are irresponsible, would've probably wasted it on avocado and toast or whatever the local fad of the day is.

The reality, though, is very different. As you've heard from others, almost 70 per cent of Manitobans earning minimum wage are 20 years of age or older. Almost half of minimum wage earners are full-time employees; 41 per cent of minimum wage earners work for large companies, those with 500 or more employees, and 73 per cent of minimum wage earners work for companies with 20 or more employees. Sixty-three per cent have already obtained a high school diploma; 32 per cent already have a university degree or college diploma; 37 per cent are students, 63 per cent are not. And, as others have noted throughout the night, about 60 per cent of minimum wage earners are female.

So, clearly, when we talk about minimum wage earners, we aren't talking about teenagers and small,

family-owned businesses; we're talking about people of all ages, of all education levels, in all kinds of businesses.

Tying the minimum wage to CPI will do nothing to address the fundamental problem that a full-time worker earns poverty wages. In fact, it will guarantee that it continues by ensuring the gap between the minimum wage and a living wage will not only continue but could grow even larger. By passing this legislation, this government is saying that it's satisfied with the status quo; it is perfectly content with full-time workers earning \$9,000 less per year than the low-income cut-off.

So, instead of addressing tragically low minimum wage, this government has suggested that adjustments to the personal basic—when the basic personal income is the ticket to addressing poverty. But the reality is that the average minimum wage earners will benefit only \$17 a year through the BPA indexation.

Alternatively, in a \$1 an hour adjustment to the minimum wage would boost the average minimum wage earner's income by nearly \$1,500. When it comes to addressing poverty, adjustments to the BPA is barely on the radar. Real results—results that could eliminate poverty for full-time minimum wage earners can only come from a serious commitment to significantly raising the minimum wage.

Now, before I conclude, I want to comment on something that was said earlier by Loren Remillard from the Chamber of Commerce. He mentioned before that he was here representing all kinds of businesses but couldn't afford to pay a living wage, couldn't afford to pay higher wages. And the example he used was Fools + Horses. And that really stood out to me, because my partner—a cousin of hers is one of the owners there. And I also happen to know that that business is a living wage employer, a thing they're proud of and post on their door, so that everyone can come and see it.

They pay their workers over \$14 an hour, because they are committed to a living wage, because they believe that the people who work for them deserve to live in dignity. So—and I did a quick calculation, that for a business like Fools + Horses that we talked about, assuming a 2 per cent increase in inflation, would still be paying more than the provincial minimum wage, in 13 years, assuming that they didn't move their wages at all.

So it is possible for small businesses to pay a living wage, and it's possible because of the very business that Mr. Remillard mentioned earlier.

But, in conclusion, instead of passing this legislation, I would ask that this government return to the drawing board and come out with a real plan for working families—a plan that will see this government close the gap between the minimum wage LICO wage, and a plan that would ensure that every job for every worker is a path out of poverty.

While we recognize that such a plan would take several years to phase in, the time to start the project is now. And we ask this government to drop Bill 33, and, in its place, draft legislation which will lift minimum wage 'wearers'—earners out of poverty. Thank you.

**Mr. Chairperson:** Well, thank you, Mr. McLean, for your presentation.

And now, we'll go on to—does any committee member have a question for the presenter?

Minister Cullen.

**Mr. Cullen:** Thank you, Mr. Chair.

Mr. McLean, thank you very much for joining us tonight and staying here this late in the evening. We appreciate your presentation.

Clearly, you're a proponent of the low-income cut-off. It appears, maybe now, the NDP are also proponents of that system. I just wondered if you could give us an explanation, you know, given the NDP had 17 years to implement this kind of a low-income cut-off living wage, whatever you want to call it, why they didn't take the opportunity over the last 17 years to implement it.

**Mr. McLean:** Yes. Thanks for the question. I believe that's a question you'd need to ask your colleagues across the aisle, and—not for me.

**Mr. Lindsey:** Thank you for coming out, and it's interesting that you talked about the very example that a previous presenter gave, that pays a living wage to their employees and believes it's the morally, ethically correct thing to do, and yet, they're not going broke. And I'm sure there's other small employers in town that are paying a living wage, as well, or at least a wage greater than minimum wage. And, from some of the statistics we heard earlier, the bulk of minimum wage earners don't just work for mom-and-pop shops; they work for bigger industries that—so you talk about a new—or, not passing this

legislation but introducing something to replace minimum wage or some whole-jobs plan package-type of thing.

Do you think we should stop this increase, as small as it is, while they fill that, or should this increase pass while we keep fighting to build something better?

**Mr. McLean:** I would say that for anyone earning minimum wage, an increase, of course, would be welcomed. That said, I do believe that this government can do better, and should do better, and should start on that right away.

**Ms. Marcelino:** I'm thinking out loud here, trying to recall an article I've read many, many years ago, that the value of an employee or a worker to a businessman or to a company was measured in dollars. And I can't recall now if—what the figure was; getting old. But it's quite spectacular. An employee's value is worth something like 20 to 25 dollars, could even be more, and, at that time, the wage of their employee, in terms of the service that that employee has—is giving to the skills and all that, giving to the company. Yet, at that time, that person is just being paid, say, under \$10.

\* (21:10)

Do you have or have you read something similar to that in your—

**Mr. Chairperson:** Mr. McLean.

**Mr. McLean:** Yes, I'm afraid that I'm not familiar with that particular article to which you are referring, but I would be more than welcome to read it, if it was made available to me.

**Mr. Lindsey:** Thank you for coming out, again, and I'm sure you'd be more than happy to be part of a consultation process with the minister on how to develop a better system going forward?

**Floor Comment:** Absolutely.

**Mr. Chairperson:** Thank you, Mr. McLean. Thanks for your presentation.

Okay, we'll go on to presenter No. 18, Carlos Sosa—Sosa.

Mr. Sosa, do you have anything to—any materials?

**Mr. Carlos Sosa (Private Citizen):** Nothing.

**Mr. Chairperson:** Mr. Sosa, you can proceed with your presentation.

**Mr. Sosa:** Okay. My name is Carlos Sosa, and this evening I'm appearing as a private citizen and also as a person with a disability.

Over the last number of years, I've worked primarily in part-time positions, where I have made just over minimum wage. So I have seen the impacts, and as a student who is just finishing off a university degree, the only reason why I've been able to do that is because I've had some family supports. I should not have to rely on family supports to survive in society.

But this is not the case for many persons with disabilities. Many persons with disabilities face disproportionately high unemployment rates and, when they do find employment, often face limited hours due to their disability and so on.

Minimum wage employment does not allow people the freedom to have a quality of life. Instead, it has an isolating impact with the cost of housing, food, medication. The proposed minimum wage legislation does not adequately deal with these critically important issues. For minimum wage workers, which includes persons with disabilities, the choice is between food, rent or survival.

And, for myself, if it wasn't for family supports, I would have to struggle with—for paying with hearing aids, at approximately \$2,000 apiece in both of my ears. And I think that's a reality for many persons with disabilities to even work—have to deal with issues of transportation, i.e., work clothes, i.e., food, housing.

And as we know in the city, the cost of housing for a one-bedroom ranges between \$800 to \$900 a month. And I think that's completely unacceptable for people who do make minimum wage, that they have to pay that way.

What I would really benefit from is a living wage. And, as I begin my employment search for a full-time job, all I'm seeing is entry-level jobs that pay just above minimum wage, whether that be support work—working to supporting intellectual disabilities or dishwashing jobs, again, all just above minimum wage and do not value—do not value—the lived experiences and do not value what it is really like there to survive out in the real world.

I would like to—I would definitely be in favour of a living wage because that would benefit not just persons with disabilities but that would benefit marginalized populations who often struggle to find

decent paying work and often struggle, struggle to just survive to pay the—to just survive to pay their daily needs.

And so I do support a living wage.

And persons with disabilities should not have to suffer, suffer, should not have to suffer in down economic times. Isn't what is being proposed here is very concerning, and I look forward to taking your questions.

**Mr. Chairperson:** Thanks, Mr. Sosa, for your presentation.

And time for question period—question.

**Mr. Cullen:** Mr. Sosa, thank you very much for coming and joining us tonight and sitting through all the other presentations as well. And thank you for sharing your situation and your story; we appreciate that.

And I will say congratulations on your pending degree. I'm sure that you obviously put a lot of work into that, and we appreciate that work, and we do want to wish you all the best on your job search as well. So we certainly wish you all the best, and hats off and keep up the good work.

**Mr. Lindsey:** I, too, want to thank you for bearing with us for a long night. You bring a unique perspective that really we haven't heard from. We've heard about women in the workforce and—but disabled people, regardless of what their disability is, would you think that there's a higher preponderance of those folks working in low-income, minimum wage-type jobs?

**Mr. Sosa:** Yes, I think you're right. I think we see them working in service-based jobs: retail, hospitality sectors. I mean, obviously, when we find employment, we really face barriers when it comes to moving up. So, of course, we're in there, and, to be quite blunt about it, I mean, we need to realize that the employment rate that we have to deal with is, quite bluntly, a 49 per cent employment rate versus 79 per cent versus the non-disabled population. And, if you have a severe disability, it's around 26 per cent. So we have to realize that the employment rate is also a major concern here, and that if we do not deal with this critically important issue, well, then, we are leaving a social deficit. And that social deficit has an impact on our health-care system, on issues of getting food, on issues of paying for rent. So, obviously, there's a lot more to that—your question.

**Mr. Lindsey:** Yes, thank you. There is a lot more to that question than probably we have time to answer here tonight. A minimum wage that really is a living wage—that's only one part. But do you see it as being a critical part of lifting people out of poverty and allowing people to enjoy a decent standard of living?

**Mr. Sosa:** Absolutely, and, in fact, you raise a very valid point. A living wage would be of a benefit to us and not a basic income exemption or tax credits. We do not—typically, many persons with disabilities do not make enough income to qualify for a basic personal exemption or even the tax credits themselves. And there have been studies at the national level which support my view.

**Mr. Lindsey:** Thank you very much for coming out tonight.

**Mr. Chairperson:** Any other questions?

Thank you, Mr. Sosa, for your presentation and your questions answered.

Okay. We'll go to the—back down to the list that—Basia Sokal. If she's not—I'm going to ask her to come up more time, and, if she isn't here, we'll just remove her off the list. Okay, she's been moved off the list.

That concludes the list of presenters.

Is there any other presenters that registered since we started tonight? I guess no other presenters. That concludes the list of presenters I have before me.

Are there—okay, seeing that there's none, this concludes the public presentations.

\* \* \*

**Mr. Chairperson:** During the consideration of the bill, and the preamble, and the enacting clauses and the title are postponed until other clauses have been considered in their proper order. Also, there is an agreement from the committee, the Chair will call clause-by-clause in blocks that conform to pages, with the understanding that we will stop at any particular clause or clauses where members have a comment, questions or amendment to propose.

Is that agreed? *[Agreed]*

We'll proceed with the bill.

Does the minister responsible for Bill 33 have an opening statement?

\* (21:20)

**Mr. Cullen:** Yes, Mr. Chair. Thank you. I'll be brief in my comments. I do want to thank each of the presenters tonight for their thoughtful presentations.

And I think, as you see, there's certainly a varied opinion out there, not—hard—very difficult to reach a consensus on this particular issue. Certainly, we heard from Manitobans through the budget consultation process. We engaged the Labour Management Review Committee in this discussion about minimum wage, and obviously, they were—had a challenge coming up with the consensus recommendation. What we think we've struck with this legislation is a balance; a balance for both employers and employees. One thing we did hear throughout our discussions was that people like consistency and predictability, and I believe by indexing minimum wage, we are providing that consistency and that predictability, and there's certainly parameters within this legislation that will indicate to Manitobans by April 1st what the new wage will be, effective October 1st of that year. So that certainly talks about the predictability of it.

We looked at other jurisdictions; obviously, there—have minimum wage, and some of them that have various indexing formulas in them, and certainly, Saskatchewan, British Columbia, to name a couple, have those formulas. We came up what we think is a made-in-Manitoba solution. And we certainly believe that it will protect purchasing power of employees going forward, which, I think, is very key.

Clearly, when we talk about poverty, we talk about incomes, and allowing Manitobans to keep as much as their hard-earned money as possible, we realize that's an issue. And we talk about the basic personal exemption, we realize that Manitoba falls quite short of the Canadian average; we certainly have a lot of work to do in that regard.

And just tonight, we found out we're \$7,000 behind our neighbors in Saskatchewan; certainly, room to make up. So there's lots of work to do on that regard.

So we're taking—as many of the speakers tonight said, you can't just look at this as a one-off. And there's a lot of different components to it, and certainly, our government is looking at all those components to make sure that we keep as much money in Manitobans' pocket as possible.

Thank you very much.

**Mr. Chairperson:** Does the critic for the official opposition have an opening statement?

**Mr. Lindsey:** We've talked about a lot of things here tonight, and then a lot of presenters have talked about consistent and predictable. And we're not opposed to that. What we're opposed to is the predictability of people in poverty, staying in poverty. The predictability of them never being able to get out of poverty. That's what we're opposed to. If this government had done something different with this particular piece of legislation, if they hadn't have sat on their hands for a year—well, it's going to be more than a year by the time this ever gets implemented, if it does, which already put people worse off, and then said, well, we'll tie it to inflation. This government didn't do that with tuition. They said they'd tie that to inflation, plus 5 per cent. But the predictability for hard-working Manitobans on minimum wage is the gap will grow. The gap will grow to the point where you cannot afford to send your kids to post-secondary education because that amount is going to be allowed to grow by 5 per cent more per year every year, predictably than what your wage will ever grow under this bill.

We've talked about minimum wage being only one part of the bigger puzzle, but, as so many presenters here have pointed out, it's a very critical part of lifting people out of poverty, and certainly, in the absence of any great plan to create employment, to get people something different than what they have now, it's the only tool that is presently available for those people to have a brighter future. This bill doesn't do that, for sure. Fifteen cents won't allow people to even keep pace, never mind get ahead, because, like I said, they've already been held back for over a year.

So the principle of creating a formula so that businesses know ahead of time what to expect, we're not opposed to that. What we're opposed to is the principle of creating a formula that ensures that people will continue to work at wages that leave them below the poverty line. We're opposed to a formula that says their work is not even worth the cost that really has gone up in the last year that their wages have not gone up at all.

Their worth is not worth their children being allowed to go to university because, at the end of the day, really, that's what limiting this increase in minimum wage will do for those parents who are trapped in that cycle. It guarantees that their kids will not be able to better themselves, except in very

exceptional circumstance, and we'll read about that kid in the paper, that did such an amazing thing and overcame such hardship, but he'll be a one-off, he or she. That won't be what's expected of most people's children that are trapped in the minimum wage cycle.

So, with those few short words, I'd really urge the minister to reconsider what he's proposed in this legislation. We think that what's been proposed is not nearly enough to help people get out of poverty, and we'd certainly be willing to introduce amendments, as I would hope the minister himself, after listening to the heartfelt stories of some of these people, would be willing to introduce amendments, to make this piece of legislation a meaningful piece that will be predictable and allow people to get ahead in this world. Thank you.

**Mr. Chairperson:** We thank Mr. Lindsey for his opening statement.

Clauses 1 and 2—pass; clause 3—pass.

Shall clauses 4 through 7 pass?

**Some Honourable Members:** Pass.

**An Honourable Member:** No.

**Mr. Chairperson:** Clauses 4 through 7 are accordingly passed—*[interjection]* Do I hear a no?

So, if we go back to—which—clause 4 would pass?

**An Honourable Member:** Are you saying 4 all the way through 7, or just up to 7?

**Mr. Chairperson:** Four through seven.

**An Honourable Member:** Clause 7.

**Mr. Chairperson:** Seven. Okay.

Clauses 4 through 6—pass.

Shall clause 7 pass?

**Some Honourable Members:** Pass.

**An Honourable Member:** No.

**Mr. Chairperson:** No. I hear a no.

**Mr. Lindsey:** As I talked about previously, we're not necessarily opposed to some formula that provides predictability to employers. We're not opposed to a formula that provides predictability to workers. We're opposed to this formula that provides too little, too late for working Manitobans.

**Mr. Chairperson:** Shall clause 7 pass?

**Some Honourable Members:** Pass.

**Some Honourable Members:** No.

**Voice Vote**

**Mr. Chairperson:** So all those in favour, please say yea.

**Some Honourable Members:** Yea.

**Mr. Chairperson:** All those opposed, say nay.

**Some Honourable Members:** Nay.

**Mr. Chairperson:** In my opinion, the Yeas have it.

**Recorded Vote**

**Mr. Lindsey:** We'd like a voice vote.

**Mr. Chairperson:** A voice vote has been requested.

*A COUNT-OUT VOTE was taken, the result being as follows: Yeas 7, Nays 3.*

**Mr. Chairperson:** The clause 7 is accordingly passed, with seven Yeas and three Nays.

\* \* \*

**Mr. Chairperson:** Okay, shall clause 8 pass?

**Some Honourable Members:** Pass.

**Some Honourable Members:** No.

**Mr. Chairperson:** I hear a no.

\* (21:30)

**Mr. Lindsey:** Again, clause 8 really takes any semblance of predictability out of the picture, because it allows the Cabinet, without any discussion, without any consultation, without any real reason to say that there'll be no increase in the minimum wage in any given year. The forecast of potential, maybe, downturn in the economy would allow the government of the day to say, well, no increase for you. At the end of the day, there may not be any downgrade in the economy. There may not be a recession. It just allows the government the latitude to, at whim, to say no increase, which then makes it not predictable anymore, which is contrary to what the government has stated.

**Mr. Chairperson:** Okay, I guess, brought it to our attention that really the—when it came to clause—when you disagreed with, it was actually with clause 3. It was part 7 of clause 3. It's part 7 and 8—clauses 7 and 8 that's proposed in clause 3; that means that the committee just has to revert back to clause 3.

Is it the question of the committee to—Mr. Lindsey.

**Mr. Lindsey:** Okay, I stand corrected. I'm saying no to clause 3 then.

**Mr. Chairperson:** Okay, we'll go revert back to—shall clause 3 pass?

**Some Honourable Members:** Pass.

**An Honourable Member:** No.

**Mr. Chairperson:** And you said no.

**Mr. Lindsey:** Again, I'm not going to repeat everything I just said.

**Mr. Chairperson:** But it's based on the same conditions.

**Mr. Lindsey:** It's the same thing. I would ask for a recorded vote.

**Mr. Chairperson:** Recorded vote on clause 3.

**An Honourable Member:** Mr. Chair, did we not vote already on this?

I appreciate the fact that maybe you could register as opposition to that item, but, to be fair, we have already voted on clause 3, so I'm not really sure what we're voting on here. Maybe the member could just mention, you know, register the fact that he voted against it, but, I mean, we've already voted on it.

**Mr. Cullen:** Yes, I think just to—for the sake of clarity, I think we should actually have the vote on clause 3. Just on the record, we'll show, then, that we actually had the vote on clause 3, which is the real—correct clause.

**Mr. Chairperson:** Shall clause 3 pass?

**Some Honourable Members:** Pass.

**Some Honourable Members:** No.

**Recorded Vote**

**Mr. Chairperson:** A recorded vote has been requested.

*A COUNT-OUT VOTE was taken, the result being as follows: Yeas 7, Nays 3.*

**Mr. Chairperson:** Clause 3 is accordingly passed with seven Yeas and three Nays.

\* \* \*

**Mr. Chairperson:** Shall clauses 4 through 7 pass?

**Some Honourable Members:** Pass.

**Some Honourable Members:** No.

**Mr. Chairperson:** Which one are you—

**Mr. Lindsey:** Clause 5 should not have passed.

**Mr. Chairperson:** Clause 4—pass.

Clause 5 pass?

**Some Honourable Members:** Pass.

**Some Honourable Members:** No.

**Mr. Chairperson:** I hear a no.

**Mr. Lindsey:** Clause 5 concerns us because it talks about establishing rules respecting the application of minimum wage provision and prescribing classes of employees which, we believe, will leave the door open for several tiered minimum wage classifications. Although the government has earlier, during debate, said that wasn't their intent, at this point in time, this clause, the way it's worded, would leave that open in future, I believe.

**Mr. Chairperson:** Shall clause 5 pass?

**Some Honourable Members:** Pass.

**Some Honourable Members:** No.

**Mr. Chairperson:** I hear a no.

### Recorded Vote

**Mr. Lindsey:** I'd like a recorded vote, please.

**Mr. Chairperson:** A recorded vote has been requested.

*A COUNT-OUT VOTE was taken, the result being as follows: Yeas 7, Nays 3.*

**Mr. Chairperson:** The—clause is—5 is accordingly passed, with seven Yeas and three Nays.

\* \* \*

**Mr. Chairperson:** Clause 6—pass; clause 7—pass.

Shall clause 8 pass?

**Some Honourable Members:** Pass.

**Some Honourable Members:** No.

**Mr. Chairperson:** I hear a no.

Ms. Marcelino, you—I heard a no.

**Ms. Marcelino:** Oh. I put—my—it was the previous one, 8.2.

**Mr. Chairperson:** Clause 8—pass; enacting clause—pass; title—pass. Bill be reported.

The hour being 9:35, the committee rises.  
[interjection] Is it—committee rise.

**COMMITTEE ROSE AT: 9:36 p.m.**

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