

Tie minimum wage to average earnings, province told

'We pay one way or another,' social advocate warns

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Alberta's minimum wage is a poverty wage, needs to be increased and again tied to average weekly earnings, a legislature committee heard Tuesday.

The standing committee on the economy is reviewing the province's minimum wage, which was frozen in February at \$8.80 an hour.

The committee heard from a number of social advocacy organizations that argued the wage is too low, and that governments end up paying the price later through social programs, such as child-care subsidies and health care.

"We pay one way or another," said Bill Moore-Kilgannon, the executive director of Public Interest Alberta.

Moore-Kilgannon's comments were echoed by the Edmonton Social Planning Council and the Catholic Archdiocese of Edmonton, among others.

The dissenting voice at the hearing was the Alberta Hotel and Lodging Association. The association suggested the minimum wage be tied to the rate of inflation, not average weekly earning from the previous year. The association also suggested lower wages for trainees and workers who earn tips.

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Best Western Denham Inn in Leduc

"We strongly believe the market should be the arbiter of wages, not the government," said Perry Batke, the general manager of the Best Western Denham Inn and Suites in Leduc.

Since 2007, the minimum wage has been tied to the average weekly earnings index. But in February, the government decided to freeze the wage in an effort to avoid job losses from the recession. The move was applauded by business groups, but denounced by unions and critics.

According to statistics compiled by social advocacy groups, almost 224,000 people in Alberta earn less than \$12 an hour, just below what's needed for a living wage.

In 2007, roughly 59,000 children lived in families below the low-income cut-off, or poverty line.

The strains from poverty are clear to social workers who work with families every day.

"We see how families are devastated by the stress of never having enough," said Barbara McPherson of the Alberta College of Social Workers. "Invest in our citizens by paying them at a fair rate or pay a higher cost through our public services after much damage to individual and collective quality of life has been done."

Ontario currently has the highest minimum wage in the country at \$10.25 an hour and British Columbia has the lowest at \$8.

The committee has another hearing next week in Calgary. It will present recommendations to Employment Minister Thomas Lukaszuk later in the year.

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