

## MEMBER STATEMENT—KEVIN O'REILLY MLA FRAME LAKE

### COMPARING MINIMUM AND LIVING WAGES

March 14, 2018

**MR. O'REILLY:** Merci, Monsieur le President. The NWT's minimum wage is increasing April 1<sup>st</sup> from \$12.50 to \$13.46 per hour. It is good news that more money is going into the pockets of our underemployed workers, but in the end, the minimum wage is a blunt instrument for addressing poverty. We need to stop tinkering and take a more comprehensive approach.

As the Minister of Education, Culture and Employment says, his decision to raise the minimum wage follows recommendations of the Minimum Wage Committee report, which is itself not a very satisfactory or independent process. The committee has two government representatives, one of whom chairs; two employee representatives; two from employers; and one from a social agency. Two other government employees with Finance served as consultants. This is the committee's second report, which is almost verbatim the same as the report produced in 2014.

Both reports presented three options for a minimum wage rate, linking it to the Average Industrial Hourly Wage. This year, the committee recommended three options: no change; or an increase to \$13.46 or \$14.96 per hour. The report observes raising the minimum wage rate will have "little bearing" on many Northerners living in poverty because fewer than 1,100 of the 21,000 workers in the NWT make less than \$15 an hour. The additional fact that the minimum wage isn't even indexed adds to this problem.

The work done on a living wage in Yellowknife highlights the problems with our low minimum wage. Twice now, rigorously researched reports have set a living wage for Yellowknife, according to a nationally recognized calculation of the actual expenses for an extremely basic standard of living. It sets the necessary income for a family of four with a child in school and a child in daycare at almost \$9 per hour higher than the minimum wage; and that's Yellowknife, not the much more costly smaller communities.

Recommendations from the living wage report point out that, by readjusting income thresholds for government programs, a lower living wage is possible, if wealth were being progressively redistributed. In the end, a minimum wage is a little more than a statement of political acceptability. If you start with the premise that someone who is working for a minimum wage should be out of poverty, a living wage is what we should be aiming for. I'll have questions for the Minister later today. Mahsi, Mr. Speaker.