

ORAL QUESTION—KEVIN O'REILLY, MLA FRAME LAKE

QUESTION 238-19(2): NORTHWEST TERRITORIES WAGE TOP-UP PROGRAM

May 27, 2020

MR. O'REILLY: Merci, Monsieur le President. My question is for the Minister of Finance who administers the NWT Wage Top-up Program. As I said earlier today, I support this program. However, it's not clear how it relates to, for example, the Canada Emergency Wage Subsidy. Can the Minister explain the relationship or difference between the NWT Wage Top-up Program and the Canada Emergency Wage Subsidy? Mahsi, Mr. Speaker.

MR. SPEAKER: Thank you, Member for Frame Lake. Minister of Finance.

HON. CAROLINE WAWZONEK: Thank you, Mr. Speaker. The emergency wage subsidy provides a 75 percent subsidy to employers to encourage them to keep their employees on the payroll rather than laying them off during what might be more-than-lean times for those businesses, whereas the wage top-up program, Mr. Speaker, is one that is meant to support employees who are making under a certain level of wages, of earnings hourly. In that sense, the two aren't necessarily related. Rather, they are not related, Mr. Speaker. Thank you.

MR. O'REILLY: I want to thank the Minister for that. Clearly, the wage top-up program serves a specific purpose just for us here in the Northwest Territories. Can the Minister, though, tell us how well that is going in terms of the take-up for it, in terms of the number of applications received so far for the wage top-up program, the number of employees covered, and how quickly the applications are being processed? I did give the Minister a heads-up, Mr. Speaker.

HON. CAROLINE WAWZONEK: Yes, I was able to marshal a bit of information here for the Member. As of May 26, that is, as of yesterday, there have been 31 business applications to the wage top-up. The application has to come through the employer in order to top up the employee. Twenty-eight have already been processed, but three, we requested additional information. In total, this will benefit 242 employees, at least for the month of April. We are processing them retroactively. For April, that would be \$65,000 going out into the hands of employees in the Northwest Territories.

At this point, processing takes approximately one day, unless again there is need for some further information or clarification, although that does seem to be, fortunately, the minority. Then the payment cycles about three days thereafter to go to the employees themselves. It is our intention in Finance to fast-track these applications, fast-track payments, as well, which Finance has been doing really across the board as much as possible for any incoming invoicing.

I would just note: applications have been open and operating since May 12th. There hasn't been a flood at this point, Mr. Speaker, but there have been some coming in. To that extent, I would sort of acknowledge that perhaps the business community could continue to also work with their members to make sure their program is being promoted.

MR. O'REILLY: I want to thank the Minister for that. It's great to hear that 242 employees here are going to benefit from this right now. That is great. The turnaround time, I am really pleased, and I want to congratulate the Minister and her department for the hard work on that. Our minimum wage, though, is a measly \$13.46 per hour, which is not enough for a decent standard of living in any of our communities.

Last time the minimum wage was increased was April 1, 2018. That process involved stakeholder committee. It looked a lot like the previous one. Given that the NWT Wage Top-up is a clear sign our minimum wage is too low and the evidence that it cannot possibly lead to a decent standard of living, can the Minister commit to a permanent increase of the NWT minimum wage to \$18 per hour or higher?

HON. CAROLINE WAWZONEK: I need to just take 10 seconds and actually go back to the genesis of the program, which was that, when Canada, the federal government, ruled out this CERB program for individuals who were negatively impacted, lost their jobs as a result of COVID-19, and they set a floor that would provide money to everyone, \$2,000 into the pockets of people who had been negatively impacted, there very quickly arose, particularly in southern Canada, the fact that a lot of front-line workers were now incentivized to leave what might have been considered, at least perceptually, a higher risk profession, whether that was, in fact, true or not. It became a real concern in the labour market that we were going to lose really some essential service workers and front-line workers.

That wasn't quite the case in the Northwest Territories. More of our health services and long-term care services are provided by the GNWT, which pays significantly more. While we wanted to participate in the program, the motivation for it here became really one of putting money into the hands of residents for whatever their needs might be. Whether that is to pay off debt or just increase spending in the community or childcare, anyone who was working, we sort of deemed as being essential for the purposes of this program. It really wasn't, at least in terms of our modelling, tied to minimum wage.

At this point, this program is not going to be some sort of pilot that the Department of Finance is using in terms of modelling for future for minimum wage changes. It really is quite specific to COVID-19, to acknowledge that there are people at the front lines, whether that is in grocery stores or otherwise, who might be making below a certain cut-off in an effort to participate in this federal program with as wide a berth as we could find in the Northwest Territories for as many employees as we could find in the Northwest Territories.

MR. SPEAKER: Thank you, Minister. Final supplementary, Member for Frame Lake.

MR. O'REILLY: Merci, Monsieur le President. I want to thank the Minister for that explanation. Look, I understand where this came from, but it's where it's taken us. That is the issue here. We heard the Premier yesterday say that it would be a sin to roll back the progress on some of these programs. This is one of the ones that it would be a sin to roll back. This program was not

limited to essential services. It was for all people here who are paid minimum wage. They have to get the employer to do it, but that is what this is about.

Can the Minister make a commitment that she is going to work with her colleague, the Minister of Education, Culture and Employment, who actually is responsible for minimum wage, to fix this problem of a way-too-low minimum wage here for the Northwest Territories? We have started down that track. Let's fix it and make it permanent. Mahsi, Mr. Speaker.

HON. CAROLINE WAWZONEK: I have already been in touch with my colleague from ECE. Obviously, this does, as the Member has already identified, fall within the Department of Education, Culture and Employment. Mr. Speaker, my colleague was just on his feet, being asked if he was going to start a pilot for universal basic income. Some choices have to be made sometimes. We certainly can't have every single program that moves forward under COVID move forward forever. There will not be sufficient money to do that.

That said, Mr. Speaker, two things: the minimum wage committee is already underway for this year for this two-year cycle. They are supposed to be delivering a report to the Minister of ECE. Certainly, I look forward to that coming in to the Minister for ECE and, I am sure, will come to Cabinet in due course. Mr. Speaker, what I would also remind is that we are about to go into the business planning process, which means that departments do have that opportunity to go in and look at programs that are under way, perhaps in response to COVID-19, and determine if, in fact, that is something they want to make a pitch for to go forward. Then they can do that in due course. Thank you, Mr. Speaker.