

**ORAL QUESTION—KEVIN O'REILLY, MLA FRAME LAKE**

**QUESTION 527-19(2): MINIMUM WAGE AND TOP-UP PROGRAM**

**February 8, 2021**

**MR. O'REILLY:** Merci, Monsieur le President. My questions are for the Minister of Education, Culture and Employment. I will be the first to admit that my Internet skills are not the greatest, but I can't seem to find anything about the mysterious minimum wage committee on any GNWT website. Nothing can be found about its mandate, composition, or the 2014 and 2018 reports. Can the Minister explain the nearly total absence of public information on the minimum wage committee? Mahsi, Mr. Speaker.

**MR. SPEAKER:** Thank you, Member for Frame Lake. Minister of Education, Culture and Employment.

**HON. R.J. SIMPSON:** Thank you, Mr. Speaker. Earlier, I think the Member said that, apparently, there is a mysterious minimum wage committee. I can assure the Member that it's not "apparently." It does, in fact, exist. He might recall it from the half-dozen times I have mentioned it in this House. Google, I'm sure, checks Hansard, as well, and so it probably came up with explanations of this committee that I've given in the past. It is a committee made up of two members of industry, two members of labour, and a member representing an NGO, and they meet every two years to discuss potential changes to the minimum wage, and they provide the Minister of the day with three options and their rationale.

This is not a public document, as it is a recommendation made to a member of the Executive Council, but in respect to the terms of reference and more information like that, I appreciate that the Member did bring this to our attention. I don't want there to be any mystery around this, so we will provide some more information on the website so that, next time the Member Googles it, it will be very clear and front and centre. Thank you, Mr. Speaker.

**MR. O'REILLY:** I wish all mysteries could be solved as easily as the Minister says, but I do appreciate his efforts to try to bring some greater transparency on this. When I raised the questions about the NWT Wage Top-up Program and the relationship to the minimum wage, the Minister of Finance had mentioned that the minimum wage committee is working away on this, but can the Minister of Education, Culture and Employment briefly describe what this committee is doing and the schedule for increasing the minimum wage?

**HON. R.J. SIMPSON:** As I stated, the committee met a number of times. They put together a report. I received that report. I shared that report before Christmas with the Standing Committee on Social Development. I received feedback from the Standing Committee on Social Development in January, I believe, and I am now considering options going forward. The Wage Top-up Program administered by Finance is time-limited. I believe the Minister stated yesterday that it ends on February 28<sup>th</sup>, and so I

consider things like that. I consider the fact that we are in a pandemic. Our borders are closed, and the majority of those earning minimum wage are in the hardest-hit sectors of our economy; servers, people like that. There is a lot to consider here, and I am having conversations with my Cabinet colleagues. I am happy to have more conversations with Members, and I will make a determination at some point in the coming weeks, I imagine, just so that everyone is aware of what is happening and has plenty of heads up.

**MR. O'REILLY:** I want to thank the Minister for continuing to shed light on the minimum wage committee and its work. Since April 1, 2020, the effective minimum wage for the NWT has been basically \$18 an hour through the Wage Top-up Program, and this has now been taken up by about 9 percent of the total NWT labour force. This program is not going to go on forever, as the Minister said, but it also a clear indication of how ridiculously low our minimum wage actually is. Can the Minister tell us whether it is his intention to roll back the effective minimum wage for 9 percent of our workforce to something less than \$18 an hour?

**HON. R.J. SIMPSON:** I don't have control over anything called an "effective minimum wage." In the Employment Standards Act, there is a minimum wage which is the minimum amount that an employer can legally pay. Right now, that's \$13.46, and there are options in front of me to either keep it static or potentially increase it, but I am not rolling anything back. I can promise that it won't go down to \$13 or \$12 an hour. It won't go back to \$6.50, which is what I was making when I was in high school. I can guarantee the Member that.

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

**MR. O'REILLY:** Merci, Monsieur le President. When I was in high school, I was getting \$1.25 an hour, but, look, this is irrelevant. The fact is that people are now getting \$20 an hour through the wage top-up program, and that \$20 an hour is going to get rolled back when this program ends. We are not going to increase the minimum wage to \$18 an hour. People are going to have their wages rolled back. That is the fact of it. Our minimum wage and even the wage top-up program did not provide a living wage of around \$24 an hour for people living in Inuvik, Hay River, or Yellowknife, let alone the smaller communities. Can the Minister explain how we can ever lift people out of poverty when 9 percent of our labour force makes the minimum wage, which does not even get close to a living wage? Mahsi, Mr. Speaker.

**HON. R.J. SIMPSON:** It's probably the biggest question I have ever been asked. It's multifaceted. It's not just mandating a minimum wage of a certain amount. If I were to mandate a minimum wage of a living wage, \$25 an hour, we would be putting people out of business and the cost of goods would be going up because the cost of business goes up, so we would need a new living wage. What we need is a cross-government approach. There has been a lot of talk about guaranteed basic income in this House. British Columbia just looked at this. They undertook a study. It took two years. They had an independent commission. They looked at 40 different reports. What conclusion did they come to when the report was released just last month? They said that a guaranteed basic income probably is not going to solve all the issues. What you need are targeted supports. You need to deal with people if they have addictions issues. You

need to make sure that there are jobs for people to have. You need to make sure people can be trained. You need to make sure people have housing.

Just throwing money at a problem, as simple as it seems, and that is probably the allure of it, it does not necessarily mean that it works. We are undertaking a review of the Income Assistance Program to ensure that we are helping people get over that welfare wall, get out of poverty. We are undertaking a review of the Student Financial Assistance Act to see if there are barriers to people getting training. We are looking at our apprentice programs and how we support businesses and people who want to become journey-persons, to see if we can help facilitate that.

I have 11 minutes left, and I am sure I can fill the entire 11 minutes, but I will leave it at that. There is a lot going on, Mr. Speaker. Everything we do here, everything we do in this Assembly, is to get people out of poverty; it's to improve the lives of our residents. It does not lie solely on myself as Minister of Education, Culture and Employment, and it certainly is not tied solely to the minimum wage. Thank you, Mr. Speaker.