



LABOUR

Minimum Wage in Canada

Faskin Martineau - In June 2013 the Government of Ontario established the Ontario Minimum Wage Advisory Panel (the Panel) to examine minimum wage policy and determine approaches for setting the minimum wage rate in the future. The Panel was made up of university professors, students, labour representatives and business associations. The Panel's Report and Recommendations to the Minister of Labour was released January 2014 (<http://www.labour.gov.on.ca/english/es/pubs/mwap/index.php>).

Although there is ongoing debate about both the theoretical and empirical economic impacts of raising minimum wages, the Panel reached consensus on four recommendations:

1. The minimum wage should be adjusted annually with increases equal to the percentage change in Ontario's Consumer Price Index;
2. A minimum of four months notice should be provided if there is a change in the minimum wage;
3. A full review of the minimum wage rate should be undertaken every five years examining past experience, future needs and the prevailing social and economic context;
4. A research program for data collection and analysis to evaluate policy issues associated with the minimum wage rate should be established.

Last month, the Ontario Government followed through on the Panel's first

recommendation and introduced legislation that links the province's minimum wage rate to increases in the CPI. As well, an increase in the minimum wage of \$0.75 was announced, which will bring it to \$11.00 and leave Ontario with the highest minimum wage rate in Canada (equal with Nunavut Territory).

Four provinces and one territory have also announced increases for 2014. Nova Scotia is adding \$0.10 to its rate, putting it at \$10.40 per hour, the Yukon is bumping its rate up by \$0.18 to \$10.72, Quebec by \$0.20 to \$10.35, and Newfoundland by \$0.25 to \$10.25. Alberta remains the province with the lowest minimum wage rate at \$9.95.

This past March, labour leaders approached Premier Christy Clark and Jobs and Skills Training Minister Shirley Bond requesting an immediate increase in BC's minimum wage rate to \$13.00. Minister Bond was clear that this was "not a top priority" for the government.

