

PRINCE EDWARD ISLAND LEGISLATIVE ASSEMBLY



Speaker: Hon. Kathleen M. Casey

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Standing Committee on Community and Intergovernmental Affairs

DATE OF HEARING: 27 JANUARY 2010

MEETING STATUS: PUBLIC

LOCATION: POPE ROOM, COLES BUILDING, CHARLOTTETOWN

SUBJECT: DIFFERING WAGE SYSTEM

COMMITTEE:

Robert Henderson, MLA O'Leary-Inverness
Jim Bagnall, MLA Montague-Kilmuir
Paula Biggar, MLA Tyne Valley-Linkletter
Olive Crane, Leader of the Opposition
Cynthia Dunsford, MLA Stratford-Kinlock
Sonny Gallant, MLA Evangeline-Miscouche
Pat Murphy, MLA Alberton-Roseville

COMMITTEE MEMBERS ABSENT:

Janice Sherry, Minister of Community Services, Seniors and Labour

GUESTS:

Department of Community Services, Seniors and Labour (Roy Doucette, Director of Labour and Industrial Relations, and Robert Yeo); Public Service Alliance of Canada (Mary MacNeil)

STAFF:

Marian Johnston, Clerk Assistant and Clerk of Committees
Ryan Conway, Research Officer

The Committee met at 1:30 p.m.

Chair (Henderson): Okay, everybody, I'd like to call the meeting to order.

This is our first public hearing on the Standing Committee of Community and Intergovernmental Affairs on the subject of differences of minimum wages.

We have an agenda in front of everyone. I'd like to ask for an approval of the agenda.

Ms. Dunsford: Approved.

Chair: Approved by Cynthia.

I guess first before we start I'd like to welcome - we have a large gallery here today and it's the Holland College Business Administration and Law Course. So I'd like to welcome them. I'm told that some of them may be making some presentations at a later date. Welcome to our proceeding. I explained to them before it's the one opportunity that the general public has to have their point of view on the actual public record so I'm sure they're going to be keen to have that opportunity.

We'll start off our first presenter. I'll ask them to identify themselves for the public record and to explain who they're representing, and I'll ask you to take it from there, Mr. Doucette.

Roy Doucette: Okay, thank you. Roy Doucette, and I'm the director of the Labour and Industrial Relations Branch, part of the division now of Community Services, Seniors and Labour, and with me is Robert Yeo, he's the chief labour standards officer for the branch.

So today we're here simply to brief the committee as to the whole issue of the two-tiered system. We'll just give you some background as to how this came about and

then, of course, we're certainly open to questions from the panel members.

I've given the hon. members here -

Mr. Bagnall: Could I have the first question?

Chair: I'll allow Mr. Bagnall the opportunity to ask a question before Mr. Doucette starts.

Mr. Bagnall: Mr. Doucette, this bill was already passed in the House this past fall session. Correct?

Roy Doucette: It was given Royal Assent, yes.

Mr. Bagnall: And it's been given Royal Assent?

Roy Doucette: As I know it, yes, it has been. It has not been proclaimed, but it's been given Royal Assent.

Mr. Bagnall: How come we weren't out doing these hearings before it came to the Legislature in a bill? Why weren't people informed that we were doing this rather than putting a bill through, passing it in the Legislature, and then coming out to public consultation after the fact that it's already written in the bill that you're going to do this?

Chair: I think I might clarify, Mr. Bagnall, that the legislation - this is a matter of whether they'd want to implement a differential wage system within the legislation. There's no differences of wages currently implemented.

Mr. Bagnall: It's already written in the bill that we passed in the Legislative Assembly last fall.

Chair: That government could do this should it decide to.

Mr. Bagnall: And if anybody does that right now, they're not breaking the law.

Chair: I think that would not be the case. Wouldn't they be breaking the law, Mr. Doucette, if somebody -

Mr. Bagnall: If the bill is passed and it's gone through and it's written in the act, then how could anybody be breaking the law if they did it? That was my major concern when this bill was in the House. It's my major concern now that we're dealing with an issue that it's already been passed in the Legislative Assembly, it's already in the act.

I'm trying to find out why there wasn't public consultations done before this bill came to the floor and allow people to make comments before it's already a done deal.

Chair: I'll ask Mr. Doucette to maybe explain that, then, his question.

Roy Doucette: As I understand it, the bill has not been proclaimed, and until such time as it has been proclaimed it's not law. So it's status quo right now until such time as government proclaims the act to be in effect.

Mr. Bagnall: When is proclamation date on the bill?

Roy Doucette: There is no proclamation date. It's not been decided when the bill will be proclaimed.

Mr. Bagnall: So why would you write this into the bill, or have it written into the bill, before there was public consultations? Because it's already been written in the act, it's already been passed in the Legislative Assembly. Why weren't these public hearings done before it went to the floor of the Legislature and passed? That's my concern.

I'm saying this is a sneaky way of putting this in, as far as I'm concerned. You're

going to turn around - it can be proclaimed any day by Cabinet. It can be put into effect immediately because now the bill has already been passed. I have a major problem with this, and I can't understand why our province would be looking at bringing in two-tiered wage systems in this province. I think it's terrible.

Chair: Anyway, basically the issue on that would be, is that, once again, would be a recommendation that our committee would make to the Legislature and the recommendation is either for or against, or to allow or permit, then it would be up to government to take that recommendation. So this is an opportunity for the general public to have their input before the act is proclaimed.

Mr. Bagnall: I don't even think we should be here on this because I don't think it should have been on there to begin with.

Chair: I might note that at a previous meeting when there was a discussion of whether we want to have these hearings that it was the consent of this committee to actually proceed with the hearings. It wasn't (Indistinct) -

Mr. Bagnall: Oh, but I understand we have some now. But we should never have been to the situation where we (Indistinct) a meeting on it because it never should have taken place to begin with.

Chair: But at a previous meeting that whole discussion was out there. Did we want to proceed? We could have just handed this back. We didn't have to take this on as a committee. But it was the people around this table that all agreed to do so. So that's why we're here. So it's not about sitting here and grandstanding in front of the media.

Mr. Bagnall: I guess what we're trying to do - you call this grandstanding in front of the media?

Chair: Well, I'd start to wonder.

Mr. Bagnall: I would think that you would be more interested in your constituents rather than saying it's grandstanding and stick up for them for a change instead of bailing down to government every time an issue comes out.

Chair: We're simply reviewing a request that was made by a previous minister to review this particular subject. We, as a committee, have decided whether we want to proceed or not. Everybody agreed here that we were going to proceed with this particular subject.

Mr. Bagnall: Yeah, but you all voted yes in the House on this, when it came up.

Chair: We all voted here, yes, too, and you're on that committee. You're on this committee.

Ms. Dunsford: You were here.

Mr. Bagnall: We're in a situation now where we have to go to committee, and I'm saying we go all over the place. Yes, I agree with that. But we should never have been here. and like you're saying there, grandstanding, you voted for it in the House with the bill because you supported the bill.

Mr. Murphy: You're certainly grandstanding. Never brought these concerns up at our last meeting.

Chair: At our last meeting. That's right.

Okay, the Chair recognizes Paula Biggar.

Ms. Biggar: Just for clarification, and we may have to go back and check the Hansard, I think when this went before the House to a vote, I think the only way that everyone voted - and if I'm not mistaken the opposition agreed to it if this section was studied.

Mr. Bagnall: I voted against it if you want to go back and check the Hansard.

Ms. Biggar: Okay. I just wanted to clarify that part of having it go through was that we would agree to look at this. I think that was something that the opposition - there was an amendment made by the minister at the request of, I think, of some concerns that were raised by the opposition.

Mr. Bagnall: There was an amendment made on giving one sick day in 10 years to putting it down to one sick day in 5 years. That was the amendment.

Ms. Biggar: Just to further clarify, this was brought to the committee as to whether or not we wanted to explore it as part of our work plan. If the committee had voted against it we wouldn't be having these hearings today, but I think everybody on the committee agreed that we would put it in our work plan as a committee. There was opportunity, I guess, Mr. Bagnall.

Mr. Bagnall: You're right on that. We did vote on that.

Ms. Biggar: Yeah. Yeah. Yeah.

Mr. Bagnall: And the reason being, and I suggested that we go Island-wide with these things that had passed -

Ms. Biggar: Sure. Yeah. Yeah.

Mr. Bagnall: - I wanted to make people aware that government was trying to sneak this through on the bill. If we hadn't have made it, it would have gone through without any consultation and anybody being able to do it because Cabinet could have done it any Tuesday when they went there now that it's already written in the bill.

Chair: I might remind the committee, too, that have they have to be recognized by the Chair for the microphone to be turned on to

have their comments on the public record.

So anyway, we have Cynthia Dunsford.

Ms. Dunsford: I think during our meeting when we were discussing our work plan, if Mr. Bagnall had have signified his intention of going Island-wide was to, as you put it, reveal - in your words - that you think that there's something sneaky going on, we would have had a different discussion over the work plan. But you didn't reveal that in the meeting, Mr. Bagnall.

Mr. Bagnall: You voted for it in the House. (Indistinct).

Ms. Dunsford: I'm not talking about the House. I'm talking about our work plan committee meeting that we had where you -

Mr. Bagnall: You supported the two-tier rate system in the House. Why are you, you know, (Indistinct).

Ms. Dunsford: We're talking about a differentiated wage system. I'm not talking about the House right now. Yes, I did vote for that. It's in Hansard.

But I'm talking about the committee meeting that we had where we all agreed that we would do this Island-wide. You did not bring up the fact that the reason you wanted to go Island-wide with it was so that you could reveal something sneaky that the government was doing. You didn't say that in the meeting, and if you had have we wouldn't be here right now.

Mr. Bagnall: What I did say -

Chair: The Chair recognizes Mr. Bagnall.

Mr. Bagnall: - at the meeting is that we would go Island-wide so that we would give the people from one tip of the Island to the other tip of the Island a chance to know that they're trying to bring in a two-wage

system, is what I said.

Ms. Dunsford: Earlier you said (Indistinct)

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Mr. Bagnall: And that's what we're going to be doing, and I hope that people will get out.

Ms. Dunsford: Mr. Chair.

Chair: Cynthia Dunsford.

Ms. Dunsford: Earlier you alluded to your actual intention, and that was to reveal something you thought government was doing that was underhanded or sneaky. So, which one is it?

Mr. Bagnall: Listen -

Ms. Dunsford: Is it to go Island-wide?

Mr. Bagnall: You put it in the bill without any consultation across the province with the people.

Ms. Dunsford: Just asking. I'm asking what your -

Mr. Bagnall: Well, what do you think? I'd kind of like to hear your own opinion on it.

Ms. Dunsford: I'm asking you.

Chair: Cynthia Dunsford.

Ms. Dunsford: I'm asking you: Is your intention to go Island-wide so we can hear from Islanders on how they feel about this, or is your intention to go Island-wide so that you can reveal something that you think government is being sneaky about?

Chair: Mr. Bagnall.

Mr. Bagnall: It could be both and if I find out that there's stuff -

Ms. Dunsford: This is the first I've heard of it.

Mr. Bagnall: Well, you should have heard of it. You should have known. You just pushed it through.

Ms. Dunsford: You didn't bring it up during our work plan meeting.

Mr. Bagnall: I mean -

Chair: Cynthia Dunsford.

Mr. Bagnall: - you just pushed it through. I mean, you pushed it through without any consultation. What did you expect?

Chair: Okay, as Chairperson, I might just clarify one particular point. We are simply hearing the public's input. Nobody has said that government is implementing this or not implementing this.

Mr. Bagnall: It shouldn't have been in the bill before we -

Chair: We are simply getting information regarding the topic or the discussion of a differential minimum wage.

So I'm going to ask, with the pleasure of the committee, to revert back to Mr. Doucette to maybe explain a little bit more of the process that he came through and answer any questions we might have.

Any other comments?

Ms. Dunsford: I agree.

Chair: I'm going to turn the floor back over to Mr. Doucette.

Thank you.

Roy Doucette: Thank you.

I think it's been explained to all members of

the House earlier that this whole thing started back in 2006 when government chose to appoint a committee to look into legislation across the province because it had not been looked at in approximately 15 years.

So as a result of that there was a lot of presentations by a number of people who - and I've provided you with a list of all of the presenters, as well as the Employer Coalition, who had input into this whole thing.

So as a result of that, then, there were recommendations made in September to the government at that time to move forward with amendments to the act. At that point in time it was decided that we would proceed with amendments to the act. Those were created, and as a result of that, that's why we're here today. The legislation finally made it to the House, so we proceeded from there.

What I've provided you with, as well, is what's happening in the rest of Canada, as well as what's happening in the Atlantic provinces. All of the provinces, except PEI, have what's referred to as enabling legislation. What this will do will simply provide the province or the Employment Standards Board with the ability, if it decides to look at something different than one general minimum wage, they could do that. So all of the other provinces, except British Columbia, Ontario, Quebec, and Nova Scotia - these are the four provinces that have chosen to use their enabling legislation.

One other province that has also, I guess, done this but not in the form of a two-tiered system or inexperienced rates or tip differentials or whatever is the Province of New Brunswick. What they've done there, because they have enabling legislation, is they've chosen to set out a standard for camp councillors. They've set a specific

wage for them. In the event that it's a construction project that is owned by the Crown and being constructed for the Crown, then they have the ability to set specific rates of pay for different trades that are on site at a construction site that's being built for the Crown. So it's those kind of things that are happening in New Brunswick. They don't go to the tiered system, just so you're aware of that.

I've also provided you with a, it's a cross- (Indistinct) review of the employment standards legislation, which is your legal length document, and that will just give you a flavour of what's happening right across Canada with respect to minimum wage, where they place their emphasis, and what they've done with it.

On just a smaller sheet, you also have the Atlantic minimum wage and the schedule increases, comparisons, and the Atlantic average. It's a single sheet document which sets where the other provinces in Atlantic Canada are going with minimum wage.

So I guess my role here today is simply to advise and to bring you up to speed as to what's happening in the other provinces. I'm not here to either promote or defend the concept that government has come forward with. I understood my role here today was simply to give you as much information as I have on file so that the committee will be able to have an informed look at what's happening across Canada, especially in the Atlantic region.

Thank you.

Chair: Okay, thank you.

Anybody have any questions for Mr. Doucette just regarding -

Mr. Bagnall: (Indistinct).

Chair: Jim Bagnall.

Mr. Bagnall: Has there been any regulations written for this bill yet?

Roy Doucette: No, there have not.

Mr. Bagnall: So has there been any consultation to you to what effect the split minimum wage is going to be?

Roy Doucette: No, there has not.

Mr. Bagnall: So it can be whatever Cabinet decide?

Roy Doucette: Pardon?

Mr. Bagnall: So it can be whatever Cabinet decide.

Roy Doucette: Yes. That's correct. Sorry, I'm not sure I understand your question.

Mr. Bagnall: Well, the split wages, whether it's going to be \$4.50 an hour because you make tips, or is it going to be \$6 an hour because you make tips, or is it going to be - what is it going to be? I think that is a big concern to everybody out here, is what are the regulations going to state?

Are they stating that it's going to be 50 cents an hour less, \$3 an hour less, or what? Then that's a concern to everybody across the province because according to you there's nothing written yet. So how are they going to know? It's already been passed in the act that we're going to do a two-wage system but nobody knows yet what you're going to do. How come there's no regulations to back up the act?

Roy Doucette: I should clarify, Mr. Bagnall, that it's not so much it's a done deal. This is enabling legislation. If the Employment Standards Board, which makes recommendation to government with respect to any kind of wage, whether it be a single or tiered or whatever else they may do, that would be under the Employment Standards

Board. They would look at it, see what 's going on. They would certainly take the comments from this committee as to where they are. As a result of that they would then make recommendation to government. So it's not a done deal. As far as what that rate may be, that would be determined by the Employment Standards Board, with a recommendation to Executive Council.

Mr. Bagnall: But Executive Council have the power to make the decision on what they want to do.

Roy Doucette: In the end they do.

Mr. Bagnall: Yes. The next question I would have is the training period. Like, you're talking hospitality or differing sectors that an employee coming out of university, for instance, that's going into a tourism business would have to have training. Is that three-month training, six-month training, eight-month training? What's the recommendation?

Roy Doucette: There's no recommendation at this point in time. What I can tell you is what's happening in the provinces of BC and Nova Scotia. In Nova Scotia it's 300 hours and after 300 hours then you go to full minimum wage. In the province of BC it's after 500 hours of initial employment. Once you've got your 500 hours in, then you immediately go to their minimum wage, which at present is at \$6 an hour. The wage for the inexperienced worker in the province of BC right now is \$6 an hour.

Mr. Bagnall: So in other words, a university student coming out and having to take a job in tourism for the summer, working for a bed and breakfast or a hotel or something, for three months they're going to get less wage than anybody else and then at the end of three months they're going back to university. So somebody's got cheap wage for them for the whole summer.

Do you think that's fair? I mean, that's never going to be fair. For the life of me I can't understand why this ever came forward, but I sure as heck don't agree with it and never will.

Roy Doucette: No. Again, it's a situation where, depending on where they go and the need and if there's enough people and so on and so forth, I think it's part of the determining factor as to whether these people will come in at the higher level or whatever the general minimum wage is, or whether they'll come in at a lower rate.

Mr. Bagnall: If they're coming into an industry for the first time, you're telling me that they're going to get less money.

Roy Doucette: Not necessarily. No.

Mr. Bagnall: But they could.

Roy Doucette: Again, I can't say whether they are or they aren't because if this doesn't go forward they'll be receiving the same as everybody else.

Mr. Bagnall: Roy, if we weren't going to bring this forward we wouldn't put it in the bill and we wouldn't pass it in the Legislature of the House.

Roy Doucette: Again, though, I can only go back to, it's simply enabling a process. Whether that process goes forward will be determined certainly by the Employment Standards Board.

Mr. Bagnall: I guess my contention will always be that these consultations should have been done way before this was put in an act and passed.

Anyway, that's my opinion, and I know I'm not going to change yours. So I just want to make sure that you know (Indistinct).

Chair: I'm just going to make just a couple

of quick clarifications, I guess.

One, you had given us a list here of presenters and submissions. Are these people who have made submissions to you before?

Roy Doucette: To the Employment Standards.

Chair: That's (Indistinct). Okay.

Roy Doucette: To the review.

Chair: Okay.

Roy Doucette: As a result of that then the recommendations came forward, which were given to government back in September of 2006.

Chair: Right. Okay. And the other quick point I wanted to make before I go to Cynthia Dunsford and then Olive Crane, is currently to determine the minimum wage, I mean, that comes once again to Executive Council from a recommendation from the *Employment Standards Act*. Correct? So that could be changed at any time as well?

Roy Doucette: That's correct.

Chair: But not - yeah. So what we're doing here is really no different than what currently exists -

Roy Doucette: That's correct.

Chair: - as far as the legislation goes. Okay.

Roy Doucette: Yes.

Chair: I'll turn it over to Cynthia Dunsford.

Ms. Dunsford: Thank you, Chair.

Those points that you just made were points I was going to make as well. I would also like to just kind of clarify here. There's been

talk - the words two-tier have been going around. We're not necessarily talking just about the idea of a two-tier, but rather a differentiated wage system -

Roy Doucette: That's correct.

Ms. Dunsford: - because we do know that some other provinces have various - not just two different wage systems, but several. So am I to assume that that's really what we're talking about and not talking about a split, or a two-tiered wage system?

Chair: Maybe I'll ask the clerk just what our mandate is here, again.

Clerk Assistant and Clerk of Committees: Thank you, Mr. Chair.

At the last meeting, the committee will recall, we were going to go out and get public input on the concept of a differing minimum wage rate for the province, and this is based on amendments that were passed in the fall to the *Employment Standards Act*, particularly regarding section 5 of the *Employments Standards Act*. I had that information. I can certainly get it for the committee.

Chair: I just wanted to clarify the concept two-tiered versus differential. That's the difference.

Clerk Assistant and Clerk of Committees: The legislation does not specify two-tier. The legislation says different wage rates for different classes of employees, different employments, and so on. It's a differing structure. It doesn't say the word 'two.'

Chair: Back to Cynthia Dunsford.

Ms. Dunsford: Another question that I have is with regards to the history of this review.

Mr. Doucette, in 2006 the then-government appointed a three-member committee, as

you stated.

Roy Doucette: Yes.

Ms. Dunsford: Did that committee hear from the public at all?

Roy Doucette: Oh, yes. The list of presenters are with you.

Ms. Dunsford: Sorry. You just did mention that.

Roy Doucette: There are two lists. Actually, there's the Employers' Council members and then there's the list of all of the other presenters.

Ms. Dunsford: And that committee was appointed by the government of the day in 2006.

Roy Doucette: That's correct.

Ms. Dunsford: There were three members. Do we know who they were?

Roy Doucette: Yes. They were Don MacCormac, June Glover and Glenda Burt.

Ms. Dunsford: Then they reported to the minister of community and cultural affairs of the day.

Roy Doucette: That's correct.

Ms. Dunsford: And it stayed there until the next government came in.

Roy Doucette: That's correct.

Ms. Dunsford: Were the other members of government of the day aware that this committee had been struck and that the committee went across PEI and met the various groups that are listed on this?

Roy Doucette: They were.

Ms. Dunsford: They were. Okay. So there has been some consultation to date on this change to the act that recently received Royal Assent.

Roy Doucette: Yes. It's as a result of that consultation that all of the stuff is presently (Indistinct).

Ms. Dunsford: But the reason I'm kind of asking is to clarify the process so that all members of the committee are aware of that.

Where we are now is now taking it to the stage before a proclamation can be made or before a decision can be made on this to take it that next step further. Is that a correct -

Roy Doucette: That's correct.

Ms. Dunsford: - analysis of where we are right now?

Roy Doucette: Yes.

Ms. Dunsford: Okay, thank you.

Chair: The Chair recognizes Olive Crane, and then Paula Biggar.

Leader of the Opposition: Sure. Roy, just a question. When you were preparing the package of information that would have gone to the previous minister for her to bring her bill on the floor of the House - the present government has been using gender-based analysis as part of their principles when they're looking at any particular change in policy. I guess my question is: Who would you have worked with under the Status of Women, in that department, to take a look at this piece of legislation based on gender issues?

Roy Doucette: I'm sorry, Ms. Crane, I'm hearing impaired so I -

Leader of the Opposition: Oh, sure. Sorry.

Roy Doucette: Maybe Robert will listen in here and -

Leader of the Opposition: Did you hear the question, Robert?

Robert Yeo: You may want to repeat it.

Leader of the Opposition: Sure. Basically we're looking at a change in policy. Again, because many women work in some of the fields that could be impacted here greatly, my question to you is: As you were preparing your previous minister, Carolyn Bertram, to bring the piece of legislation to the floor of the House - again going back to 2007-2008 - the government has been telling people they are using gender-based analysis to look at any policy to make sure that there's little change or nothing in the negative affecting especially women.

So my question to you, as you were preparing the piece of legislation to go to the fall session of the House: Who did you work with at the Status of Women, in that department, to ensure that this piece of work was done?

Robert Yeo: You can go ahead.

Roy Doucette: I guess in preparing this legislation for the House -

Leader of the Opposition: As a background package. You know how you do a briefing book for a minister.

Roy Doucette: Yes.

Leader of the Opposition: I'm sure that all areas were included for the former minister. So my question is: Who did you work with on that one piece?

Roy Doucette: To bring the legislation to the package that was shown or presented in the House last fall -

Leader of the Opposition: Yes. Again, I'm going back because it's the government who's reassured us on numerous occasions that they're using gender-based analysis with every policy that they're implementing. This is a very important bill. So I was just curious that you must have worked with somebody. Who, with the Status of Women, did you work with, the Women's Secretariat, in the government department?

Roy Doucette: I guess after the initial package was given to us - and I'm going away back to 2006 here when this thing was done - we had all of the presentations but then we had further consultation with both the Employer Coalition and with the PEI Federation of Labour in all of this.

So as a result of that, what transpired then was we looked at all of the recommendations that were contained in the report that was given to us by this panel. We looked at what the concerns were expressed by the Employer Coalition and what concerns were expressed by the PEI Federation of Labour, because they gave further comment on this thing. From there we really looked at it and looked at what we hoped was a balanced approach, not giving everything - because you have to understand, the Employer Coalition's initial position was status quo, leave it alone, we don't need to do anything further with it. Then, of course, with respect to the Federation of Labour it was: You've taken a little baby step here, but we need much more to be done.

As a result of those comments and that, we then went to work and looked at what would be considered, we hoped, to be a balanced approach to setting this legislation up, because clearly there was a demand from the Employer Coalition to introduce a lot of different things and to stay away from others, such as a reduced work week. They didn't want anything to do with that, from the Employer Coalition side. From the

Federation of Labour side, they just wanted more benefits to be given to the workforce.

So it was a balanced approach that we took.

Leader of the Opposition: So it sounds like in those areas government still didn't - you didn't go to a department responsible for women, the Women's Secretariat, to ask them to take a look at this piece and to use their gender-based analysis on that. So that's one area that I'd -

Roy Doucette: No, we did not.

Leader of the Opposition: - ask you if you'd do that in the future as part of this.

The other is yesterday there was an important document tabled by this government called: Rural Development Initiative. The minister responsible for that has spoke that from here forward they're going to ensure there's always going to be that rural lens put on any new change in policy or whatever.

My question: If that's the case, who are you working with within the department of rural development to take a look at having differential wage rates, an economic impact study on how that's going to affect the rural economy, etc., in terms of attracting business, but also in terms of, as my colleague here referred to, sometimes students who have to make money to pay for education, they may have to take a look at another area altogether? So my question is: Who in the rural department are you working with to take a look at that rural lens of how this is going to impact rural Prince Edward Island?

Roy Doucette: As I understand it, this rural development issue has now just been rolled out. So all of the departments are going to be part of that. So there will be consultation. So everything that's happened to date, I'm assuming, will be part of it. What impact

will there be -

Leader of the Opposition: So, Roy, who will you work with then at -

Roy Doucette: There's been nobody, as of yet, designated, that I'm aware of.

Leader of the Opposition: Okay.

Chair: Okay. Just want to note, too, that in your presentations before to come up with the legislation enabling pieces of work there, you did have consultations there from the PEI Women's Network and the Advisory Council on the Status of Women. Is that correct?

Roy Doucette: Yes. That's correct.

Chair: Okay, Paula Biggar.

Ms. Biggar: Just, Roy, for some clarification on the previous review and consultation process. Just looking at this. In September 2006 the committee submitted its report to the minister of community and cultural affairs of the day. Just for some clarification, in that report was there any mention of this kind of differential wage at that time?

Roy Doucette: Yes.

Ms. Biggar: Okay. So this is not something that's just thrown out on the floor of the Legislature recently.

Roy Doucette: No. That came about as a result of the consultations that were held with these different organizations.

Ms. Biggar: Okay. Thank you.

Chair: Cynthia Dunsford.

Ms. Dunsford: Just to follow up on Olive Crane's comments with regards to GBA, when you look at the past presenters and

submissions, as the chair has indicated, the Women's Network and the Status of Women presented, but there's also presentations by other groups and individuals, and on that list there are a total of five individuals who came forward to be heard. All of them were women. So it's an interesting statistic to see that this is - and concerns women.

I'm wondering if you can recall what the overall - was it mixed or were they mostly in favour of looking at this or not in favour of looking at this? Was there something that you could share with us that you could recall from the women's perspective? Was there something that stood out?

Roy Doucette: I think probably for the most part it was, although I didn't sit in on these submissions, but from discussions I had with the committee after, it would appear that all of these submissions were to do with the fact of improving the quality of life for women in work.

Ms. Dunsford: Okay. So do you recall any recommendations specifically coming from the women's groups that could tell us what their ideas were on the improvements or recommendations?

Roy Doucette: No. No, simply because I wasn't there.

Ms. Dunsford: Yeah. Okay. Thank you.

Chair: Paula Biggar.

Ms. Biggar: I was just going to suggest, perhaps for the information of the committee, we'll get some further background on the previous submissions and reports that were already done. It might be helpful for us to answer those questions.

Chair: Certainly there's nothing preventing anybody who made a submission previously to the Employment Standards Board that couldn't make the presentation to our

standing committee.

Ms. Biggar: That's right.

Chair: So there's nothing preventing them in any way, shape or form in that.

Chair recognizes Pat Murphy.

Mr. Murphy: (Indistinct). Just wondering. When was the last time the *Employee Standard Act* was reviewed?

Roy Doucette: Nineteen ninety-five.

Mr. Murphy: Nineteen ninety-five.

Roy Doucette: Yes.

Mr. Murphy: And I was just wondering, this here two-tier wage that we're looking at, it's just a part of that whole act that was passed in the House, was it not?

Roy Doucette: That's correct.

Mr. Murphy: And there was a lot of good points?

Roy Doucette: Yes.

Mr. Murphy: Less controversial points that were passed to make things better for the employers, for the labourers.

Roy Doucette: Certainly there was - again, like you say, we tried to give a balanced approach. The employer community was looking for banking of overtime hours, which was never permitted. So we've moved forward with that. We've put specific restrictions on how that evolves, but for them that was a good move. For the employee side of things, three weeks after eight years of service the one paid sick day, one paid bereavement leave day. There are some positives here in the legislation, which hopefully improves the quality of working life.

Mr. Murphy: One more thing, I guess. Would you see this as a fair process to have this committee look at the two-tier wage system -

Roy Doucette: Yes.

Mr. Murphy: - as opposed to just enacting it as legislation? Thank you.

Chair: Okay, I might correct Mr. Murphy. We're not necessarily looking at a two-tiered system, as a differential wage system. We could have five tiers, we could have one tier. The number two isn't quite official, I guess.

Mr. Murphy: (Indistinct) wage.

Chair: Okay, the Chair recognizes Jim Bagnall.

Mr. Bagnall: I have a list of these presenters that you said that these were done for 1996 consultations. How many since 1996 -

Chair: Two thousand and six.

Ms. Biggar: Two thousand and six.

Mr. Bagnall: Since 2006, I'm sorry. How many presentations have taken place? How many of these are in the last four years?

Roy Doucette: None.

Mr. Bagnall: So these are four and five years old.

Roy Doucette: Yes.

Mr. Bagnall: So this government hasn't done anything as far as going out to the public and getting these from people at the time.

Roy Doucette: No, we have not.

Mr. Bagnall: The question was on the other one. Yes, this came to Cabinet back in 2006. In 2006 Cabinet wouldn't touch it. I was in Cabinet at the time and we would not touch it. We felt that it was a bad move to move to differential wage system and nothing happened. But I see now it's come forward again, with the same presentations and the same people that you talked for. You haven't had any new consultations with anybody except what you did in 2005 and 2006. Now we're in 2010 and you're still using the same presentations from back in yesterday, as far as I'm concerned.

To me, if you were bringing a new piece of legislation in, you should have at least went out and got some more consultations as per the economic spinoff of communities as it is today. I think that it looks to me is you brought this in under the previous government and you couldn't get it through. So now you got a new government, so you're bringing the same things through and get it passed. To me, I don't think that's being very proactive.

Chair: Those may be valid criticisms, but at the end of the day we are where we are and that is the standing committee to review this before the law is proclaimed, which we are doing. So this is where we encourage feedback and input and debate on the subject.

As we're trying to wrap this up, I'll go to Paula Biggar and then Cynthia Dunsford.

Ms. Biggar: I just want to thank Mr. Doucette for his presentation. I know he's not here to give or take some of the comments that were put forward today. It is good to have the information that was presented here and thank you for your presentation.

Roy Doucette: Thank you.

Chair: Cynthia Dunsford.

Ms. Dunsford: I just, as well, wanted to thank the gentlemen for giving us some more information and, as well, to just kind of clarify, again, that I think directing our presenters today as people who are themselves driving this I think might be inaccurate. Because this is something that's being directed by a department, by a government minister. This is where the directive is coming from.

I think it's fair to clarify that so that it's made clear to everyone here, and to the members, that that's exactly where it's coming from. As a committee we chose, we all chose, each and every one of us on this committee, to go forward with this knowing full well what already had taken place in the House.

So that's my final comment, and I thank you again for coming. Appreciate it.

Chair: Okay. Thank everybody. I thank you, Roy, for your presentation. We'll take just maybe a couple of minutes break. Our next presenter up is the Public Service Alliance of Canada. Thank you very much, Mr. Doucette.

Mary MacNeil is the representative of the Public Service Alliance of Canada.

Clerk Assistant and Clerk of Committees: Thank you, Mr. Chair.

[Recess]

Chair: Okay, I'd like to reconvene our hearings today.

We'd like to welcome our next presenter to our committee. You know the routine by now, Mary, but I'll ask you to identify yourself and who you're representing and commence your presentation. If you want to open it up for questions afterwards, we'd be happy to.

Mary MacNeil: I'm Mary MacNeil and I work for the Public Service Alliance of Canada. I'm a regional representative.

Just to give you a background. The Public Service Alliance, of course, is from coast to coast to coast. We have a lot of work in the Northwest Territories and around the world in consulates and embassies. So 166,000. I'm giving you this background maybe to help present our stand, because on the Island, we have about 2,700 to 2,900 members. Of course, most of them are federal employees and agency workers, the majority. Even the majority in across the country which you would say could care less in their day-to-day life, maybe, about minimum wage. But that's not the truth any more.

PSAC is taking a lot of action around these issues and I'll give you a little more. A few years ago there was a lot of major cuts to the federal government to the tune of 50-some thousand workers. What happened in the federal government and agencies, they just went out and contracted the work. The work still had to be done so the image that we've - okay, we're cutting government and we're going to get more for our tax dollar - the work had to be done. So now we have a lot of contract workers doing work that was done by government workers.

But the other thing that the federal government did was start to hire a lot more students, and the Island is no exception. We sometimes have more student workers - I could give you a work site even at Parks Canada - than we do have federal government workers. What the federal government does is put sometimes a uniform on them. So you could be going through a customs, the routine at the airport or wherever, border crossing, and you'll see the customs uniform, but many times in the summer that's a student.

So because of that we started getting calls,

and our office in PEI, just like every other office across the country, gets a lot of calls from students, and students that are being disrespected and treated very differently than the federal government employees. Because we do have, like, a Cadillac version for a collective agreement, we admit that, with benefits and everything. The same with our contract workers. I'll mention one of the groups we represent is 160 core commissioner workers on the Island.

So a lot of these contract jobs are very dependent on what the minimum wage is, and so they're very nervous. Also, when they hear of any two-tiered system or any structural change that's negative and not positive. So they're very concerned. So anyway, in fact the commissioners wanted to present today and the gentleman had another appointment so I have to say we're representing them also. So yeah, their daily salary and wages is dependent.

But in the bigger picture from the Public Service Alliance of Canada, nationally we also represent, besides federal government workers, we started organizing some of these contract workers, like the commissioners. So in other provinces, we have Transition House workers, we have First Nation employees that work for band council. So we have a wide variety. In saying so, with these many complaints with students, we try to help some students.

Just on the Island here, some students that were treated very disrespectfully, working tremendous amount of hours and getting paid low, but on top of that, generally disrespect. We found out that a lot of the labour legislation that's in place doesn't cover students. To our shock, actually. We were a union, and this was a few years ago, and we couldn't believe it. So they can let, they could actually at a federal site here, have them work hours and hours and not have to pay them overtime and not have to pay - you know, the same rules didn't apply

for students.

So we ended up actually having to go to a federal MP to right some wrongs. They were pretty outstanding, the wrongs, and thankfully we were able to turn this over. But it had to go to Ottawa. But it didn't mean that all students are now respected because some of the most respected federal government offices I've gotten calls from this lately. I mean, they can put four or five of them in almost a closet and they can put a photocopier in there.

So just in saying that, we come back to minimum wage. Although some of the government offices may pay more, we're still seeing contracts in government office, and subcontracts and whatever, and very concerned about how this wage goes.

But on the other hand, I guess what I have to tell you with our union, we've actually introduced - we're, I guess, suing the government. We introduced a lawsuit against the federal government and it's basically on how students are treated. Because it goes against everything unions are for. We're for equal pay for equal work. I mean, it's pretty basic. That's an old - that's one that I fought with women's issues in the 1970s, I think. We were fighting for equal pay of equal work and we thought we won it. Then we got equal pay for work of equal value and we thought we'd made tremendous headways in that.

To introduce any kind of system that would have the structure where one worker's paid, another worker, and they're doing the same job - and we know that that will happen. Maybe there's a training period and we give that, that there might be a little bit of training, but this isn't what it's about. It's not about the training. It's about paying unequal wages and we think it's discrimination. We think it's an ageism because it is going to be the young. It's going to be students. It's going to be - and

the other issue we're talking about when we talk about students is - I can also speak as a mother of three students that all had to work going through university and a couple of them took two jobs. I'm not a minimum wage worker, I have a good salary. Yet my children had to do it just to get through university. So I don't even want to think of what somebody on minimum wage and has a child in university would have to go through.

So I wanted to say that the PSAC is - the reason we're introducing legislation is - because there's such an outcry from students - is we want to see them unionized. So there is a solution if the government continues to keep minimum wage down and disrespect workers and put in different kind of systems for them, and they're knocking on our door right now and they're saying: Help us. Because the commissionaires on the Island came to us to unionize them because they hadn't had a raise for years because minimum wage hadn't gone up for years. That's why they came to us.

So the solution would be our lawsuit and to start unionizing students, if we get this legislation through. But we think it's not necessary that we should have to go to that extreme degree and I find it very - it's just discouraging when you get the calls to see that a group of society is treated differently.

There was a couple of other points I would want to just add. I'll just - my notes here. Again, it's like even though we've unionized commissionaires and we've got a little jump in their salary and we're trying to get some benefits, it's still very - if minimum wage went up, believe me, there'd be commissionaires with big smiles on because they're still starting right now at 9.80 an hour. They're protecting our (Indistinct), protecting us in our government offices and that. So it's just that they're very concerned when they heard about the hearings today.

I don't have to go on to talk about the students, the costs rising, and - it's the other thing I wanted to mention. I'm involved with the health coalition. We've met with government officials different times about poverty and poverty on the Island. Many provinces are looking at putting in a poverty - well, they're talking about elimination and we talked about eradication, using strong words. They have really a good one in Newfoundland and Manitoba, and Ireland has done - so a lot of places are talking about poverty eradication. Believe me, I don't see anything positive about this legislation going forward. I think it's actually impoverishing students, impoverishing people that are already low-income workers already, and this is actually structuring it in our system.

We can't put legislation in to give them rights for safety at work so they're treated right like other workers, but we'll put legislation in that will keep them down. So it's going totally against the direction we should be going in. If the government really believes in eradicating poverty, this is a good start in minimum wage, putting it up, and treating all workers equally. I mean, that's the basic message that we want to give.

Chair: Okay, Jim, you had a question, was it?

Mr. Bagnall: Yeah.

Chair: And then Cynthia.

Mr. Bagnall: No, she can go.

Chair: Okay. Cynthia.

Ms. Dunsford: I'm curious. The other provinces, like, let's just take Nova Scotia, their province does have a differentiated wage system in place now. What kind of battle does the union have now? What are the legal implications? Has there been any?

How successful have they been?

Mary MacNeil: We meet as staff across the country, and basically when I started getting the calls - it started actually a few years ago on PEI where students were calling me, students, whether it's Parks or Veterans Affairs, it doesn't matter which site, they've called. So we started taking on their concerns in trying to help them. So when we got together across the country we found out all the union offices across the country had gotten calls. I've talked to Roy. Roy has gotten calls from students. Because I've actually discussed with him - so we know labour offices and union offices are getting - so Nova Scotia and every other province, even with the legislation, are getting calls about, generally, the disrespect.

That's why now, because we looked at the legislation and we saw that the federal government didn't even have legislation to - so we're - because of representing a lot of federal unions, our lawsuit, I can give you, is basically directed at the federal government to put legislation in. Because what we know is when we fought for pay equity we got the federal legislation and then the provinces got their legislation. When we fought for rights, any equity rights that we fought, we always go nationally first and then, hopefully, the provinces will fall in line. So that's our approach.

We're presenting just as Nova Scotia or any other case, the labour councils and that are all talking about, minimum wage. They're all on something that's saying the same as what I'm saying, I guess, today. But basically, we're putting our money in to try and get the federal government to at least take a stand, and then hope that provincial legislatures will follow in line.

So I don't know if I'm answering your question.

Ms. Dunsford: I guess I'm asking more

with regards to the legal, the law - you said there's a lawsuit currently (Indistinct)?

Mary MacNeil: I can give you information on it. It's basically (Indistinct) against the Canadian government arguing the exclusion of students from the definition of employee.

So they're not even considered employees when you're working in the *Public Service Labour Relations Act*. So we're just trying to get - if we - to get it, to get them some rights, we have to first get them to be called, employee. But if we continue to treat them as a different type of worker and then pay them a different rate, you know. So we have to first get the legislation in for employee, and then we'll be able to go forward.

Ms. Dunsford: The students who complained to this division here specifically for PSAC, what are the numbers approximately?

Mary MacNeil: I can't say that all of them complained. We'll get one or two that will take a stand. I've had like a dozen from one work site. We had a meeting here this summer, there could have been 40 or 50 students from one federal site, and I've gotten numerous calls.

Ms. Dunsford: So are they asking to receive the same wage as people -

Mary MacNeil: Some of them, it's not all about wage. It's about general, not getting respect and being treated differently.

Ms. Dunsford: Right.

Mary MacNeil: And I -

Ms. Dunsford: But you feel that the wage is directly tied to that?

Mary MacNeil: The wage is another example. It's another example.

Ms. Dunsford: So are they asking then for more wages?

Mary MacNeil: In some cases. The ones that work under the student program for the federal government would get more, for sure, but they're still not treated any better in some cases. But the contract workers, if you're a contract cutting grass at the parks where another federal site might have a federal government worker cutting grass or maintenance around - you're talking minimum wage versus a federal government benefits of dental plan. So we do have contract workers that happen to be students, and I can give you Parks as an example, and actually some of them are on subcontracts so they're just getting minimum wage. If we put any other system in, yeah, they'll get less. Yet they have to work side by side, maybe with a Parks uniform, with somebody getting two and three times their salary or benefits or whatever (Indistinct) -

Ms. Dunsford: Do you think that it's realistic for the students to get that same status as a more experienced -

Mary MacNeil: If they're doing the same job, yes, because we have them in -

Ms. Dunsford: So the students are there for two months and then they - and are those same workers working the exact same amount of time every year?

Mary MacNeil: Some of them are, some of them are, and they change over. There's every kind of setup.

Ms. Dunsford: Do you find that the ones who are there for a longer period of time during the year are the ones using their status against the students more than the ones who are there the same time as the students?

Mary MacNeil: I'm not sure if I'm quite getting what you're saying, but -

Ms. Dunsford: I'm trying to find out what that kind of parity is about. Why is there -

Mary MacNeil: Why they're treated differently?

Ms. Dunsford: - why is there that much disrespect going on just based on wage?

Mary MacNeil: Wage, it's the contract. I mean, if you're a government agency or a business owner and you contract out, for instance, maintenance. I can give a - in Veterans Affairs they contract out to a big company, a huge company.

Ms. Dunsford: Yes.

Mary MacNeil: That company actually contracts it out to a company in Quebec. That Quebec company contracts it out to a company in New Brunswick who then contracts out to a couple of workers that go in and change a light bulb at Veterans Affairs. That's not an exaggeration. But anyway, that - so the guy that's getting -

Ms. Dunsford: That's not exaggeration.

Mary MacNeil: - so the guy's getting minimum wage. He's not getting any more.

Ms. Dunsford: No wonder, there's four layers of people to pay.

Mary MacNeil: If that company - because we have two and three layers and we really do have that. I could give you the company name.

Ms. Dunsford: Well, there's the problem.

Mary MacNeil: But even if it's a one contract, if the government puts legislation or any structure in where they can pay less, the bottom line is -

Ms. Dunsford: Oh sure.

Mary MacNeil: - I guarantee they're going to pay less. So that isn't even a student. That might be a guy that's trying to feed a family, that has to go in through this call from two or three places, but basically, it's a contract. So I'm saying contract workers are disrespected. Commissionaires are contract workers.

Ms. Dunsford: Yes.

Mary MacNeil: It doesn't matter if they're in a provincial government or federal government and wear the nice uniforms and they look like they have - most people thought that commissionaires got all the benefits federal government employees got, like the dental plan and sick - they don't have sick days and yet they're standing in federal and provincial offices and they don't have a sick day. We just unionized them. We're trying to get benefits.

So we're saying it's very disrespectful, but it's not the way you treat workers and they're doing quality work. It's not like their work is so-so. They're doing quality work. It's protective work. It's security work.

The same with students. If the students are in a learning capacity and it's a training - there's already room for that sort of thing in workplaces for training, but we're talking about putting a uniform on a person and doing the same job as the federal employee who's getting all the benefits and pay. It happens on the Island, it happens at border crossings. Even their safety is in question, and that's in a whole other issue we could talk about with students because we're having tragic accidents across the country because students aren't trained properly but they're put in the position of workers.

So employers are using students as full-time employees, but that is happening on the Island. That's a definite. But we're not against student hiring, and there is a place, and there's a respectful place for it, but we

find it's been abused. I guess that's part of the problem. But what we're saying: putting any structure in that's not a positive is only going to -

Chair: So you're saying all commissionaires on Prince Edward Island make the same pay regardless whether -

Mary MacNeil: They start out, they start out, I have their -

Chair: - they're 20 years or one year, that's correct?

Mary MacNeil: No, they get - there's three levels.

Chair: Oh.

Mary MacNeil: At different, there's three - they start out at -

Chair: Isn't that a fair bit of hypocrisy? You're saying that you're against it.

Mary MacNeil: No, there's different jobs on the Island. There's different jobs. There's a year - they start out for the first year, there's a level, there's (Indistinct). Well, I guess the levels are, there's a supervisory level gets paid more. We don't say the supervisor shouldn't get paid more. That's not the same as the structure.

We have guys that do, and women, that do a code white at the hospital. That's where they actually have to tackle somebody if somebody's - they get paid more because they're doing a different job. We're very much for equal pay for equal work, but even in every - we believe in classification systems where if you do more, yes, there's a system to pay you. But to have a general rule but everybody gets paid, although you know, you'll have people there - after a few months your training is over.

Chair: Jim Bagnall, and then Paula Biggar.

Mr. Bagnall: First of all, I'll thank you for your presentation. I'm glad we agree because we definitely agree on the issue of equal pay and equal rights and for students not to be - I looked at the employers council members that are making the recommendations here too. There's only one person, one on here, that I'd say would work for the individual worker would be the worker's advisory. But the rest of them would all benefit in their facts by having a two-tier, three-tier, four-tier wage system. So I think that's kind of overloaded.

Another thing. I don't know, probably you would know, but as of April of this year, we will have the lowest minimum wage -

Mary MacNeil: I know that.

Mr. Bagnall: - in Atlantic Canada. And not only that, if we bring this legislation in, we're even making it worse. So I agree with what you're saying. You hit the nail right on the head exactly as the way we should be dealing with this, and I want to thank you for your presentation.

Chair: Okay, Paula Biggar.

Ms. Biggar: Thanks a lot. Having a little bit of knowledge about the federal service, I just want to clarify the classification system. So if somebody comes in at a class whatever it is you have - if they're a maintenance worker, for instance, in the federal service - it doesn't matter if they had experience or not coming in. If they're in that classified position, they get the same rate as somebody that's been there.

Mary MacNeil: Yes, they have a probation system for so many months. They could have training programs and all that. But basically, when you come to work for the government, yeah, there's obviously considered a training, but if you're doing the work of someone - if the maintenance is whatever it is and you're doing it, you get

paid for the job you're doing.

Ms. Biggar: There is regional differentiation, though, within the federal government as well.

Mary MacNeil: Not within the federal -

Ms. Biggar: Like Atlantic Canada employees get paid -

Mary MacNeil: (Indistinct).

Ms. Biggar: - is that gone now?

Mary MacNeil: It's gone.

Ms. Biggar: That's gone now?

Mary MacNeil: We had it there for a - it was there, we were fighting it for a small group of labourers but no, if you're a clerical worker or a supervisor in PEI or in BC, you're paid the same.

Ms. Biggar: Okay.

Mary MacNeil: Just as a MP gets the same pay across the country.

Ms. Biggar: Okay, so that's gone now.

Mary MacNeil: Yeah, we just got rid of that in the last round of negotiations.

Ms. Biggar: Okay.

Chair: Final question to Cynthia Dunsford.

Leader of the Opposition: (Indistinct).

Chair: Oh, Olive has a question too.

Ms. Dunsford: Oh, were you first?

Leader of the Opposition: No.

Chair: No, Cynthia was, then Olive.

Ms. Dunsford: Mary, you just mentioned that when somebody comes into a classified position there is a period of time where they go through training and possibly a probation period. Do they get paid the full amount during that time?

Mary MacNeil: In negotiations this happens. It's not that unions love it, but there is, like, a year where when you first start out there's one salary and the next year you'd move to the next level.

Ms. Dunsford: So that in a sense is a form of differentiated wage.

Mary MacNeil: It would be a form, it's negotiated and - yeah.

Ms. Dunsford: So when we talk about the possibilities and when we look at what other provinces have done - not all of them have done exactly the same thing - when you look at the information. They're looking at training, probation, all the same things that work within a federal system where somebody belongs to a union. It looks to me like it's almost a similar idea. So I'm not quite sure I understand why.

Mary MacNeil: Okay, maybe if I could ask a question.

Ms. Dunsford: I'm only asking because you guys have obviously had to go through: How can we say this isn't discriminatory when -

Mary MacNeil: The other salaries we're talking about in the federal government, to be fair, it's not even fair to put them in the minimum wage category because we're talking about fairly substantial, very good salary.

Ms. Dunsford: No, but it is a differentiated wage system which could be seen as discriminatory.

Mary MacNeil: They do come in, and like I said, we don't say that - we know probation and six months' probation is reasonable and some places have it a year. We know that there can be training and just as any job. We just negotiated with the commissionaires. Yes, after, you know, if they go to a supervisor's - we realize there's a bit of it, but what the concern is, is - and maybe it's a question I should be asking. So we have minimum wage. We know it's one of the lowest minimum wages in the country, in PEI. So if they talk and say if it went into a structure where -

Ms. Dunsford: A different.

Mary MacNeil: - a training structure, are we talking about going down?

Ms. Dunsford: No.

Mary MacNeil: Are we talking about (Indistinct)?

Ms. Dunsford: That was brought up on the floor of the Legislature and it was clarified by Mr. Doucette, who was here earlier, and by the minister on the floor as well, and the answer was no.

Mary MacNeil: The other thing that hasn't been clear is to take somebody in and to train them for a month or two - our question, and we actually argue this every time at negotiations about even the year - we know very well after a month or two, sometimes even earlier, people are up and running. They come in because, to be quite honest -

Ms. Dunsford: So you have, actually -

Mary MacNeil: - I don't say we totally agree with everything -

Ms. Dunsford: - but you have that mechanism in place as well that they can jump earlier than the specific -

Mary MacNeil: No, we have to fight it at negotiating tables.

Ms. Dunsford: Okay.

Mary MacNeil: But what we're saying is, we know that within six months of two people working side by side and the person that's there a year or two, they're doing the same job. So to be quite honest, just because in negotiations we're stuck with some of that, it doesn't mean - I won't say that we totally agree with it. Because we feel that the period is longer, the training period, because there are people working very hard in their first year.

Ms. Dunsford: Who does that satisfy within the structure of the union?

Mary MacNeil: Who does it satisfy? (Indistinct) you mean for training?

Ms. Dunsford: For that probation and training. That is something that the union may not be all that overall happy with but it's in there. So it's been accepted as part of a negotiations, so does it -

Mary MacNeil: It would be more the - that's only a Treasury Board thing of keeping wages down.

Ms. Dunsford: Okay.

Mary MacNeil: We don't want them all at this wage, but -

Ms. Dunsford: It's more of a -

Mary MacNeil: - there is, it's in there but it actually is a system that we have to live with through the (Indistinct) to keep. It's not a positive and it's not really about the training. It's actually presented to keep some wages down, you know.

Ms. Dunsford: So the training period and the probation, I'll just - and then I'll leave it,

sorry -

Mary MacNeil: They're not necessarily -

Ms. Dunsford: - they're not really getting training?

Mary MacNeil: No.

Ms. Dunsford: They're not being trained.

Mary MacNeil: No.

Ms. Dunsford: Interesting.

Mary MacNeil: You would have on the job training, you know.

Ms. Dunsford: Okay.

Mary MacNeil: But in the government, it's like any provincial government, it's always (Indistinct) it's not -

Ms. Dunsford: So when we hear that, we know they're actually not being trained?

Mary MacNeil: No. To say that -

Ms. Dunsford: It's just a way to get to pay them less.

Mary MacNeil: - they're not doing the same job after six months, and I would, I don't know, I can't speak for the provincial government, but I think if you were to look at two clerical workers working side by side, if you have that differential in the provincial, I'd say after two months, three months, they're doing exactly the same job, and after nine months.

Ms. Dunsford: But they were learning at some point.

Mary MacNeil: Yes, of course.

Ms. Dunsford: At a different wage.

Mary MacNeil: But that's normal with no matter what you do.

Ms. Dunsford: Of course.

Mary MacNeil: But usually when you're hired in the government, you come, they're very, they're looking for the education and experience, you know, if anybody applied. You pretty well have it all before you come.

Chair: Okay.

Mary MacNeil: You have to.

Chair: Last question to Olive Crane.

Ms. Dunsford: Thank you, Mary.

Leader of the Opposition: Mary, just in terms of the 2,900 members that you have, could you tell me roughly how many of those folks might be working in the admin clerical area? Then, my understanding of the federal system is if some of those people are not available, sometimes that work is contracted out to a management system and the management system sends someone to go into work someplace for a day doing clerical work.

My question is: For the people that, again, are in there on a casual basis or just on a day temp, what are their wages and are they impacted by minimum wage? Could you have a person work, for example, maybe six months, a year, two or three years for that management company and never have an opportunity to be even in the federal system?

Mary MacNeil: Yes.

Leader of the Opposition: Do you know what I'm getting at?

Mary MacNeil: Yeah, I can give you a rough idea.

Leader of the Opposition: Yes.

Mary MacNeil: Like I said, we have 160 commissionaires that wouldn't be in that mix and we have 30 - we just organized teacher assistants at UPEI. We're just starting with a collective agreement. That's only about 20 to 30 because the numbers are going - you know, some are leaving.

Leader of the Opposition: Sure.

Mary MacNeil: So the rest are federal employees. In that, I would say, like, 90%.

Leader of the Opposition: Ninety percent are.

Mary MacNeil: Yeah, it's mostly administrative, supervisory admin. The group you're talking about, in that group we have terms. When I said we have 2,700 to 2,900, our numbers fluctuate by - it could be 300 and 400 a year and they're all - that are term employees because of the tax centre.

Leader of the Opposition: Okay.

Mary MacNeil: So these are term. So we do have a lot of term employees. The term employees, again, that's another big struggle because they're not treated - they do, if they're over four months, get some benefits.

Leader of the Opposition: Okay.

Mary MacNeil: So it's the under three months that are the problem with benefits. But then on top of that, the government has casual which, again, they get - no, they're not under the union so then they have casual - I can't give you the number because it's something that they don't share with us. So there is a lot of casual workers that is a concern to us because they just come in, work so many days, leave. Then we have contracts and that's - you would be surprised how much work by the federal government, even on the Island, is done by contracts. The

contracts, I don't represent them, it's always a dispute of how many. We know they're there because we run into them and we talk to them, but that's the problem is it's more and more contract workers, and contract workers are minimum wage workers. Not their company, I mean, the company gets the price -

Leader of the Opposition: So the company is there to make a profit?

Mary MacNeil: - gets a chunk and they're paid - they're definitely minimum wage workers. Yes, they'd be affected because - and they have no benefits. The commissionaires were one of those examples. When they came to us they were making \$7.10 an hour and it was like 10 years or whatever the last raise of minimum wage was. When they came to us, there was a 10 or 11 period and they were making that rate. So they're affected by minimum wage. So I'd say the commissionaires, and the contract workers who I don't represent, but do effect because they're in our mix. They're in our work places and I do know they exist.

Leader of the Opposition: So those were your comments directly related to poverty reduction?

Mary MacNeil: Yeah, and they've taken, and like I said, we feel that instead of people being happy that another federal government job is gone, you know, that whatever, if they call them fat cats or whatever, it's still going to go out through a kind of - it just means that on the Island there was somebody that was contributing to businesses and the community with benefits and making a good salary, and now you have a minimum wage worker in that job. That affects the whole Island. That affects businesses.

That's what we've been trying to say for a long time that cuts in the - we're going to see it again because the warning signs are

there. The federal government is going to cut federal jobs again. If they do a massive cut, whether it's Veterans Affairs or tax, that effects everybody on the Island and like I said, businesses.

Chair: Okay. We'd like to thank you for your presentation and your time.

Okay, our next briefing is from Ryan Conway. Ryan, do you want to -

Ryan Conway Research Officer: Thanks, Mr. Chair.

I passed out a brief that I wrote in response to a question from the last committee meeting, the question being whether any other jurisdictions are currently considering discussing, reviewing or otherwise exploring the concept of a two-tier or differentiated minimum wage.

From my research, it appears that no other Canadian jurisdictions are currently considering the concept of a two-tier minimum wage or differentiated minimum wage in their respective legislatures or legislative committees in the same manner as PEI. However, the boards and committees that set or recommend minimum wage levels across Canada do, on occasion, receive submissions from the public regarding two-tier or other differentiation in minimum wage. Some of these have been detailed here.

Newfoundland and Labrador maintains one minimum wage for all workers. According to their Director of Labour Standards, there has historically been a lobby effort to bring about a two-tiered system each time the legislation and regulations have come under review, although there has not been any movement on the part of the government to implement such a system.

In April 2006 Jim Bennett, then-leader of the provincial Liberal Party in

Newfoundland, put forward a proposal that would see minimum wage increase from 6.50 to \$8 for workers over the age of 18, but decrease to \$6 for workers under 18. His rationale for the proposal was to encourage employers to hire more young people. The proposal was criticized by the Canadian Federation of Students, the Federation of Labour and the Canadian Union of Public Employees. There's a news story on the proposal attached to your report.

Nova Scotia is one of the jurisdictions that does differentiate in minimum wage, including a lower minimum wage for inexperienced workers. Most of the discussion in Nova Scotia has been focused on the scheduled minimum wage increases over the 2008 to 2010 period as recommended by the Minimum Wage Review Committee. The committee amended the Minimum Wage Order in 2008 with a series of increases that will ultimately bring minimum wage to 9.65 an hour for experienced workers and 9.15 an hour for inexperienced workers by October of this year.

Amid the debate on increases, at least two organizations have addressed the issue of differentiation in minimum wage. The Canadian Centre for Policy Alternatives, or the CCPA, supported this schedule of increases but in a 2008 letter to the Minister of Labour the CCPA spoke both in favour and against forms of differentiation in minimum wage. On the favourable side was differentiation based on geographical region:

“There was a time when the minimum wage rate was set to respond to geographic variations and thus to differences in the cost of living in communities of varying sizes and services. The current recommendation [of increasing minimum wage] would not bring workers in Halifax even up to the LICO by 2010.”

Indeed, between 1951 and 1972, different minimum wage rates for different regions in Nova Scotia did apply. LICO refers to Low Income Cut-Off, defined by Statistics Canada as the income level at which a family may be in straitened circumstances because it has to spend a greater proportion of its income on the basics, such as food, clothing and shelter, than does the average family of similar size. The LICO's vary by family size and by size of community. Thus the CCPA points out that cost of living varies in different provincial regions, and one reason to adjust levels of minimum wage is to allow everyone, no matter where they live, a better chance to rise above the low income threshold.

However, the CCPA did not agree with having a lower minimum wage for inexperienced workers. It noted that the lowest paid workers in Nova Scotia are women, visible minorities, immigrants, Aboriginal workers and younger workers. In terms of fair and equitable treatment in the labour market, these workers also have the least bargaining power and face the most barriers. Those subject to an inexperienced worker wage are already at a disadvantage and the CCPA did not see any reason to continue to exacerbate their difficulties. Their letter to the minister is also attached to your report.

Another organization in Nova Scotia, the Canadian Restaurant and Foodservices Association, or the CRFA, spoke more recently about a form of differentiation in minimum wage. In an online petition made available to association members and addressed to the Premier and the Minister of Labour, the CRFA criticized the scheduled increases in Nova Scotia minimum wage in view of the increased cost of labour and the economic downturn. In addition to calling on the government to “slow the scheduled increases in minimum wage to be more in line with the realities of the marketplace”, the CRFA put forward the following

request:

“Recognize the significant income earned by liquor servers by introducing a tip differential. This is a lower minimum wage paid to servers in licensed establishments. The differential would be put in place by freezing servers’ wage rates during the next general minimum wage increase. Wages would not be rolled back.”

Tip differentials already exist in Ontario and Quebec. The CRFA’s petition is attached to your report.

So the case in Nova Scotia demonstrates that even where minimum wage differentiation already exists, different voices in the public continue to insist on its augmentation or elimination, as the case may be.

In Saskatchewan, there’s one minimum wage maintained for all workers. A Regina *Leader-Post* article of December 3rd, 2009, indicates that the Christian Labour Association of Canada recently submitted a proposal to the Saskatchewan Minimum Wage Board calling for an overall increase in minimum wage, as well as wage differentiation of 10% less for workers under the age of 21. The labour minister, however, does not expect to move to a two-tier minimum wage. The wage board reviews the provincial minimum wage every two years but its 2009 report has not been released. The *Leader-Post* article is attached to your report.

Finally, I’m told by the Saskatchewan Legislative Library that another article from the same magazine from 2003 indicated that the Canadian Federation of Independent Business presented a list of proposals to leaders of major political parties at that time. These proposals included the introduction of a training wage below the standard minimum wage, and a reduction of the minimum amount of time for which an employee called in to work must be paid to

two hours from three hours.

Also, in September 2001 the Canadian Restaurant and Foodservices Association, which presented in Nova Scotia as well, presented a submission to the wage board in which it recommended that a tip differential be introduced with the argument that such a differential would preserve the jobs and hours of wait staff in liquor-licensed restaurants. They also spoke in favour of introducing a training wage in the event that standard minimum wage would be raised.

Any questions?

Chair: Question, Olive Crane.

Leader of the Opposition: Ryan, when you did the review in all these different provinces, did you also include a review of the welfare assistance caseloads to look at the number of people that perhaps may work year round, part-time, receiving minimum wage, but also then have to have their wages supplemented with the fact that they don’t have enough money to meet their basic need? So they actually receive welfare assistance.

Ryan Conway Research Officer: I haven’t seen statistics on that, but -

Leader of the Opposition: You might want to check that.

Ryan Conway Research Officer: - I would point out that one organization I mentioned did identify that young workers are often susceptible to that.

Leader of the Opposition: Sure. Could we ask Ryan perhaps to, even in the Province of Prince Edward Island, get the demographics of who is on the social assistance caseloads right now?

Ryan Conway Research Officer: Okay.

Leader of the Opposition: How many people are working year round, their average minimum wages or part-time, and then just how many people have to receive subsidies to meet their basic needs already with us making any changes. I think it'd be helpful if the committee -

Chair: Okay, does the committee want to instruct Ryan to do that?

Okay, it seems by the pleasure of the committee for you to find that information out and bring it back to our next committee meeting.

Ryan Conway Research Officer: Most certainly.

Chair: Thanks.

Any other questions for Ryan?

Mr. Bagnall: Just make reference to it that this committee asked Ryan to do this research.

Chair: Okay.

Mr. Bagnall: As you know, the question was asked was a two-tiered wage system, not a differential wage system that we asked him to look into.

Ryan Conway Research Officer: I should point out that might have been just something that I wrote. I don't recall the exact wording.

Mr. Bagnall: Well, (Indistinct) checked the minutes and it was two-tiered wage system.

Ryan Conway Research Officer: It could of been, or it might not have been, I'm not sure.

Ms. Dunsford: (Indistinct).

Chair: Yes, yes, that's correct.

Ms. Dunsford: Want to keep that separate.

Chair: Yeah, we might have erred in our instructions to Ryan, but -

Ms. Dunsford: (Indistinct) good try, though.

Chair: Okay, the final No. 4, update from the Clerk.

Clerk Assistant and Clerk of Committees: Thank you, Mr. Chair.

Just to let you know the response to the ad. The ads are actually in for the second time today and they are appearing in the weekly papers, *The Graphics* and *La Voix* in the French language version today, so I'm expecting to get sort of uptick in the response.

There's been a number of emails come in. I've circulated some of those to you, and I think at each meeting what I'll do is just kind of collect them and give them to you in that form. That's the way we've done it in the past.

Chair: We have five so far.

Clerk Assistant and Clerk of Committees: Yes, and I know there's some others that have come in today and you'll get them at the next meeting.

As far as groups wanting to present, in the Charlottetown area, we do have seven on my list right now, and that include Mr. Murray's Holland College class. I'm not sure if they'll present singularly or in pairs or in groups, but that's very encouraging.

In western Prince Edward Island I have three groups and individuals and in the eastern part of the Island so far I have two. But as I said, with the ads running today in the *Graphics*, in particular, there will be more.

Leader of the Opposition: Question.

Chair: Paula Biggar first, then Olive Crane.

Ms. Biggar: Marian, could you please give us a list of who you sent the invitations out to, to present in term - we had discussed making sure different groups got the invitation? Could you share that with us?

Chair: I might add, it's rather lengthy.

Ms. Biggar: I just thought it might be helpful though -

Clerk Assistant and Clerk of Committees: Sure.

Ms. Biggar: - so people know that who we are reaching out to as a committee.

Clerk Assistant and Clerk of Committees: Sure. I don't have that list with me -

Ms. Biggar: Okay.

Clerk Assistant and Clerk of Committees: - just at the moment. It's the same list that you all approved, and I think there was one or two additions. I had some good suggestions.

Ms. Biggar: We can just maybe put it in - is that in our committee - is it on our website as to -

Clerk Assistant and Clerk of Committees: It's not on the website, no, those. But I do have a list of who that went out to and I can certainly circulate that to -

Ms. Biggar: Okay, I just thought it might be helpful.

Chair: I signed a lot of letters, I know that.

Ms. Biggar: So that we do know who was invited to present.

Chair: I was getting writer's cramp, I think.

Clerk Assistant and Clerk of Committees: Yes, I can provide that.

Ms. Biggar: Thank you.

Leader of the Opposition: Okay, Olive Crane.

Leader of the Opposition: Sure, just in regards to that because I wasn't at that meeting when that was discussed. My question is I know I believe we tried to contact the UPEI Student Union -

Chair: They were one.

Leader of the Opposition: - and Holland College, and I'm wondering if we could do the same courtesy for the high schools across Prince Edward Island, the student unions. Why I say that, I've been invited to a number of the schools as guest speaker lately and the issue comes up. I think then that would be fair to everybody.

Chair: Do we want to send to every school or just send to the schools -

Leader of the Opposition: The high schools.

Clerk Assistant and Clerk of Committees: The high schools.

Leader of the Opposition: Yeah.

Chair: Just the high schools. Okay, that's not so bad.

Mr. Bagnall: Any grade 12 student will be effected.

Leader of the Opposition: The student unions.

Ms. Biggar: Well, any student over 16 will be effected.

Leader of the Opposition: That's working, big time.

Chair: So okay, it's the pleasure of the committee for the Clerk to write a letter to each of the high school's student unions - more signing for me - to let them be at least aware of the standing committee's work.

Clerk Assistant and Clerk of Committees: Certainly.

Chair: Any other questions for Marian?

New business, anything to be brought up under that?

Okay -

Ms. Biggar: Sorry, Mr. Chair, do we have any meeting date set then for those presenters?

Mr. Bagnall: I think the last time you said you were going to wait until we saw how many came in and then (Indistinct).

Ms. Biggar: Sure, okay, great.

Ms. Dunsford: Plus now we'll have the high schools possibly.

Ms. Biggar: Yeah, we might have more.

Chair: So maybe we way look at the clerk and myself getting together, maybe next week, and sort of determine a date from there. Is that fair ball? We'll have a little more of a determination (Indistinct).

Motion to adjourn.

Thank you very much, everybody.

The Committee adjourned